

Ms Lucy Butler, Executive Director, Children, Young People and Learning	Ref No: OKD19 (20/21)
June 2020	Key Decision: Yes
Remodelling of Cissbury Lodge Children's Home, Worthing	Part I
Report by Assistant Director, Children's Commissioning	Electoral Division: Northbrook
<p>Summary</p> <p>The children's in-house residential service is made up of six homes, of which three, including Cissbury Lodge, are currently closed and awaiting refurbishment whilst feasibility studies and design work have been undertaken.</p> <p>A strategy for the in-house residential service was approved by the Cabinet Member for Children and Young People in October 2019 (decision reference CYP03(19/20)). This included a proposal to re-open Cissbury Lodge with a revised delivery model.</p> <p>In order to implement this proposal, Cissbury Lodge will be remodelled, ensuring the most efficient use of the existing footprint of the home whilst maximising the potential service offering of the site. A design has been developed from which the following services for children with disabilities will be delivered;</p> <ul style="list-style-type: none"> • An enhanced short breaks service incorporating 4 beds, • A residential service incorporating 6 beds, and • An outreach function offering further support to children and families in the home or community <p>A decision to commence a procurement process for the works to remodel Cissbury Lodge was taken by the Executive Director Children, Young People and Learning in April 2020 (decision reference OKD42(19/20)). The procurement has now taken place and, following full financial and technical evaluation, this report recommends that the contract is awarded to Westridge Construction.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The strategy for the residential service was approved by the Cabinet Member for Children and Young People in October 2019 (decision reference CYP03(19/20)). It seeks to ensure that outcomes for vulnerable children are maximised and that long-term care costs are minimised, in line with the Council priorities of giving children the best start in life and creating a council that works for the community. It is also essential that the assets that enable support to children are redeveloped in order to support the delivery of this strategy as a part of the wider 'children first' improvement plan being driven forward by the County Council.</p>	
<p>Financial Impact</p> <p>This proposal will make available places for children that were lost when the home closed in 2018. Since closure, the Council has continued to pay the costs associated with maintaining the home, whilst purchasing external placements for children at</p>	

additional cost, that would otherwise have been made to Cissbury Lodge. A planned and phased reopening would mean that the home would deliver an estimated £1.47m external placement cost avoidance in its first year of operation (2021/22), rising to £1.60m in its first full year at its projected ongoing level of occupancy (2022/23).

Recommendations

That the Executive Director Children, Young People and Learning awards the contract to remodel Cissbury Lodge children's home to Westridge Construction, for the sum of £1,727,644.50, which is affordable within the total capital programme allocation for this project of £3,153,000.

Proposal

1. Background and Context

- 1.1 Residential homes have an important place in the wider strategy for how children with social care needs are supported. They form an important tool, alongside other types of placement, to secure the best outcomes for children and to reduce the financial and social costs that can occur when children are on the edge of care, transitioning into adulthood and when they are looked after.
- 1.2 Many children with the most complex needs who cannot be adequately supported by the in-house service or external agencies in West Sussex are placed with out of county providers in locations as distant as Lincolnshire and Scotland. This negatively impacts upon children's connections with their parents, carers and social work teams.
- 1.3 In 2018, the Council identified a number of practice and safety-related issues at Cissbury Lodge which led to its closure. Subsequently, a review of all children's homes operated by the Council was undertaken in order to develop a strategy for the service.
- 1.4 In October 2019, the Cabinet Member for Children and Young People approved the strategy for the in-house residential service and the proposals to implement it (decision reference CYP03(19/20)). The strategy recommended maintaining the service's existing estate whilst seeking to specialise in terms of the support that it delivers to children, their carers and their families. This would enable the council to;
 - Focus on supporting children with the most complex needs,
 - Innovate with models that keep children from becoming children looked after (CLA) or going into longer-term residential services,
 - Retain control of its stock, which would support the shaping of the market,
 - Better utilise the existing estate and buildings,
 - Retain flexibility to accommodate the highest costing children whilst also offering new, innovative models,

- Retain control and therefore respond more quickly to meet a changing demand in the market if required, and
 - Maintain a level of insulation from the impact of any provider failure in the external market
- 1.5 From the analysis undertaken to develop the strategy, the following four key principles were established, creating a strategic framework which formed the basis of proposals for the future of the service;
- Use in-house services to support the most vulnerable and complex children, whilst also providing an offer to children who are on the 'edge of care',
 - Seek to maximise outcomes for children by keeping them in or near to their homes and communities whenever this is appropriate and safe,
 - Provide a flexible service that can respond effectively to the wide range and high level of need in the most complex cohort of children, and
 - Make the best use of resources through utilising innovative service models to move away from 'traditional' high-cost long-term placements towards a more comprehensive service that 'wraps around' the child, including short breaks and outreach work in communities
- 1.6 A feasibility study for Cissbury Lodge, and associated surveys, was undertaken in 2019, the key findings of which were as follows, all of which will be addressed through the proposed works;
- Fabric condition – all areas, external and internal, graded 'satisfactory' with work 'desirable' (towards end of 5 years),
 - Drainage – issues with an obstruction in one area,
 - Mechanical and electrical services – majority graded 'satisfactory' with work not required until +5yrs or towards end of 5 years,
 - Control centre in plant room graded 'poor' with work 'urgent' (within 1 year) due to control panel approaching life expired,
 - Ventilation graded 'poor' with work 'desirable' (within 5 years),
 - Call systems graded 'bad' and 'urgent', and
 - CCTV – 'poor' and 'essential' – new system likely necessary
- 1.7 Subsequent to the feasibility stage, design was undertaken led by the Council's multi-disciplinary consultant (MDC). On the basis of this, a full business case was considered via the County Council's internal governance process for Capital Projects through submission to Asset Hub and Capital Asset Board (CAB) in Feb 2020 and recommended for approval by CAB.
- 1.8 In April 2020, a decision was taken by the Executive Director Children, Young People and Learning (decision reference OKD42(19/20)). to commence a procurement process for a contractor to deliver the remodelling of Cissbury Lodge. Following a pre-qualification questionnaire (PQQ) process and a subsequent invitation to tender (ITT), 6 tenders were received during this process; these tenders were considered, and a report and recommendations made by the MDC.
- 1.9 The tenderers were subjected to a compliance check and a tender evaluation process. As a part of this process, the compliant tender submissions were assessed against a price-quality ratio, whereby the ratio is arrived at by

dividing the price submitted at ITT stage by the quality score achieved at PQQ stage for each tenderer.

2. Proposal Details

- 2.1 Following the outcome of this evaluation process it is proposed to award the contract to remodel Cissbury Lodge children's home to Westridge Construction. This tender was identified as the most economically advantageous tender of those submitted, on the basis that they offered the best price-quality ratio.
- 2.2 The remodelled Cissbury Lodge will deliver the following services;
 - From the east wing, an enhanced short breaks service incorporating 4 beds for children with profound and multiple learning disabilities (PMLD), to help support parents in maintaining these children within their home,
 - From the west wing, a residential service incorporating 6 beds for children with learning disabilities, to make better use of Council resources in allowing children to be placed closer to home and preventing expensive out of county placements, and
 - Through co-locating professional teams in the shared office space, including the Intensive Planning Team and the remodelled Child and Adolescent Mental Health Service, an outreach function supporting children and families to create stable home environments and prevent admission into a full-time placement
- 2.3 The completion date for construction is estimated to fall in January 2021, with the reopening of the home to follow in February 2021, assuming timelines for Ofsted registration are met. This incorporates current business continuity planning in response to COVID-19, which is being reviewed on a regular basis.

Factors taken into account

3. Consultation

- 3.1 The Cabinet Member for Children and Young People has been consulted and has endorsed the approach to the design during its development. The Children and Young People's Services Scrutiny Committee considered the strategy for the service, including the proposals for Cissbury Lodge, at the meeting on 11th September 2019. The service has also committed to updating the committee on the impact of the home once it reopens. The local Member for the division where the home is located has been briefed on the proposals.
- 3.2 Members of the Cissbury Lodge management team have been involved in workshops looking at the future design of the home. Engagement events have also been held in order to get feedback on service issues from the wider residential staff group.
- 3.3 Health and social care professionals and commissioners from across the Council and partner organisations (e.g. the clinical commissioning group)

have been involved in design workshops to ensure that the home will be fit for purpose, in particular due to the complex health and behavioural needs of the cohort of children who will live there.

- 3.4 Given the need to ensure adequate provision of education as well as care, special schools have been kept up to date on the development of proposals via the special school heads executive meeting. This is particularly the case for Oak Grove College. This school is adjacent to Cissbury Lodge and it is entirely possible that residents of the home will be educated there. The Headteacher has therefore been involved in workshops to develop the design for the home.
- 3.5 A planning application has been made, giving an opportunity for residents to raise concerns with the proposed developments through this process.

4. Financial (revenue and capital) and Resource Implications

4.1 Revenue consequences of proposal

Incorporating all revenue implications, including changes to service budgets, cost avoidance and feasibility costs, the combined revenue consequences are shown below by year. This is for all homes within both phases of the programme due to interdependencies between the proposals for homes (e.g. increased investment in support and management staffing that sits across all homes). This also includes a £1.8m 'bridging amount' increase to service budgets for 2020/21 to account for the fact that homes will not be immediately at capacity on reopening, but that children will be gradually placed into homes in a phased approach over the first year of operation. The budget for the three closed homes was set based on reopening dates falling in the period Dec 2020 to Jan 2021, as this was the most up to date information at the time. This has since been adjusted to Feb to Mar 2021. Whilst this has changed when any cost avoidance will start to be delivered from, the total cost avoidance per annum when the homes are fully operational remains unchanged.

	Year 2 2020/21 £000	Year 3 2021/22 £000	Year 4 2022/23 £000
In House Residential Homes			
Revenue budget	7,226	7,226	8,339
Change from proposal	0	1,113	0
Remaining budget	7,226	8,339	8,339
External Residential Placements			
Revenue budget	33,629	33,629	30,533
Change from proposal	0	-3,096	-133
Remaining budget	33,629	30,533	30,400
Net change to children's revenue budget	0	-1,983	-133
Central financing costs	216	216	216

The cost avoidance coming into effect in years' 3 and 4 in the 'change from proposal' for the external residential placements budget is generated through bringing current unused capacity in the in-house service back in to use, thereby avoiding expenditure on external placements.

4.2 Capital consequences

A breakdown of the contract value for this project is shown below, incorporating the tender sum from Westridge Construction and other provisional sums and allowances.

Item	Cost (£)
Construction costs	1,399,325.00
Contingency (10%)	139,932.50
Insurance	5,000.00
Bond	3,848.00
Additional allowances/provisional sums incorporated during tender normalisation (blinds, play equipment, FF&E delivery/installation and Whiterock/Integrated Plumbing System)	179,539.00
Total anticipated contract sum	1,727,644.50

The MDC produced a pre-tender estimate which indicated a total construction cost of £2,665,092. The tender sum for construction from Westridge Construction (£1,727,645) is £937,447 lower than this estimate. All tender sums submitted were lower than anticipated; it is likely that the level of prices returned was greatly affected by the COVID-19 pandemic and the forecast of economic impacts, with contractors trying to secure future work more competitively as a result.

Placing the anticipated contract sum alongside remaining project costs, including further provisional sums and allowances to be paid direct by the Council, provides an updated total capital cost for this project.

Item	Cost (£)
Total anticipated contract sum	1,727,644.50
MDC professional fees RIBA 2-4 (design)	199,670.00
MDC professional fees RIBA 5-7	120,000.00
Provisional sum for sprinklers	127,507.45
Allowance for direct WSCC ICT equipment	25,000.00
Allowance for decanting and storage costs	10,000.00
Local authority fees (planning and building control)	5,000.00
Total capital cost of project	2,214,821.95

Based on these costs and incorporating the impact of other capital expenditure approved from phase one of the programme, the estimated combined capital consequences for phase one are as follows.

	2020/21 (£000)	2021/22 (£000)	2022/23 (£000)	Total (£000)
Capital Programme Allocation Children's Social Care – Phase 1	1,400	3,000	4,200	8,600
Projects Approved and Profiled				
Cissbury Lodge	2,215	0	0	2,215
Seaside and May House Design	225	0	0	225
Seaside and May House Construction	2,503	0	0	2,503
Total approved/profiled	4,943	0	0	4,943
Variance	3,543	-3,000	-4,200	-3,657

The total amount currently set aside for phase one in the capital programme for these projects is £8.600m for the years 2020/21 to 2022/23, approved by full Council in February 2020. The overall projected capital cost of works for phase one of the programme is £4.943m which is £3.657m less than what is currently budgeted. The caveat to this is that May House and Seaside have yet to complete the tender process, meaning that costs may adjust based on supplier responses.

4.3 *The effect of the proposal*

Those corporate measures which will be impacted by the reopening of Cissbury Lodge are as follows.

Corporate priority	Related corporate measures	How proposals for the residential service will support delivery
Best start in life	West Sussex children looked after (CLA) rates.	Support delivered through the short breaks service and outreach teams will help stabilise families and prevent or delay children from becoming looked after.
	CLA with 3 or more placements during the year.	Full time residential placements offered in Cissbury Lodge's west wing will be for the most complex and vulnerable young people, supporting their stability in placement rather than relying on external suppliers.
	West Sussex children placed in good or outstanding homes.	Investing in the residential service and its people and creating innovative models of delivery are expected to impact Ofsted ratings on inspection – this has already been seen in the recent 'outstanding' rating given to Orchard House.
A prosperous place	16 to 17 year olds who are not in education, employment or training.	The delivery model within Cissbury Lodge will form part of a whole service which creates stability for looked after children and those supported through short breaks, including preparing and enabling them with life skills wherever possible. This will in turn result in more long-term stability for young adults and a more positive transition to adults' services.
	Residents who find it easy to access	The closure of Cissbury Lodge had a significant impact on the children placed

Corporate priority	Related corporate measures	How proposals for the residential service will support delivery
	information, services and the support they need.	there and their families. Reopening this home will reinforce the support offered to families and children in West Sussex.
	Residents who agree the Council provides good value for money.	Utilising the home both to lower the cost of placing children with a high level of need in full time residential care and to prevent or delay entering care will support the Council in making better use of its resources.

4.4 *Future transformation, savings/efficiencies being delivered*

The impact of the proposals for each home on the Council's expenditure on the purchasing of external children's home placements has been analysed. The estimated cost avoidance per annum for each home is as follows and was the basis for the amount shown in the revenue consequences table in 4.1 (this was a conservative estimate based on identifying individual children from historical data that fit the criteria of the proposed model for each home; as such, the actual cost avoidance is anticipated to be higher).

Home	2020/21 (£)	2021/22 (£)	2022/23 (£)
May House	64,100	922,600	922,600
Seaside	11,000	790,600	892,000
Cissbury Lodge	49,500	1,472,300	1,597,700
Total	124,600	3,185,500	3,412,300

4.5 *Human Resources, IT and Assets Impact*

There are 82 members of staff from the residential service who have been temporarily assigned to other roles in the Council due to the closure of homes, including Cissbury Lodge. As a part of these proposals there will be a review of the staffing model to achieve consistency of roles, responsibilities and grades across the whole residential estate, as well as retention of the in-house staff team.

5. Legal Implications

- 5.1 The Council must provide suitable support for children falling in its duty. This can be discharged in a variety of ways and the proposal supports a wider menu of options to best meet the needs of those children.
- 5.2 The procurement for a contractor to complete the building works at Cissbury Lodge has been successfully and compliantly processed with the successful bidder being Westridge Construction, whose tender was identified as valid for acceptance and the most economically advantageous tender of those submitted, on the basis that they offered the best price-quality ratio.
- 5.3 The procurement was conducted as a non-OJEU restricted 2 stage tender. The value of this procurement is below the EU threshold for works of £4,733,252. Contractors were selected to tender in accordance with the MDC guidance. A pre-qualification questionnaire was undertaken to ensure that the correct contractors with relevant experience were selected to tender for

the project. Potential bidders were also required to complete the Standard Selection Questionnaire (SSQ) and Health and Safety Questionnaire, which were both scored on a pass/fail basis.

- 5.4 The procurement team was supported in procuring the contractor by the Council's Multi-Disciplinary Consultant, Faithful & Gould.

6. Risk Implications and Mitigations

	Risk	Mitigating actions
1	Building works. The building works are likely to be by far the most significant driver of both cost and time for the project and therefore any issues (e.g. planning, problems found during survey) have the potential to significantly impact delivery.	Feasibility works, including detailed surveys, have been undertaken, the results of which will inform the design and planning stages. Cissbury Lodge will not wait for other sites in phase 1 of the programme to move forward, but will advance to design and construction separately.
2	Recurrence of problems which led to closure. If the root causes of issues which led to closure (e.g. staff culture, inappropriate referrals) are not tackled then there is a significant risk of reoccurrence.	The building works will include a full refresh and refurbishment of the working environment. The staffing model will also be considered and input from organisational development will also be sought in developing the service's culture.
3	Relationship with partner agencies. A positive working relationship with partners in the health and social care system is critical. As some of Cissbury Lodge's children are likely to have complex health needs and all will have special education needs (SEN), this is likely to include the continuing healthcare (CHC) element of clinical commissioning groups (CCGs) and local special schools, in particular the neighbouring Oak Grove School.	Relevant partner agencies (e.g. Oak Grove School) will be directly involved in the design of the home where appropriate or will be regularly engaged with separately.
4	The situation of parents, carers and children. The closing of Cissbury Lodge caused significant disruption to the children placed there and their families and carers, leading to a strain in relationships with the Council. Some are still waiting on the reopening of the service in order to have a suitable placement for their child and should be kept informed and involved wherever possible.	The chair of the Parent Carer Forum has been invited to attend project steering group meetings in order to influence plans and feed back to forum members. Separate wider engagement with parents, children and carers will form part of the communication and engagement plan.
5	Reputation of the council. The closure of 3 of the council's children's homes in 2018 made the headlines both regionally and locally. The subsequent Ofsted inspection of children's services brought this further into the spotlight. The	Advice from communications and media officers will be sought in the development of the communications and engagement plan and in the drafting of any public documents. Senior managers and members will be kept apprised of all developments.

	Risk	Mitigating actions
	reopening of these services will need careful management in line with the overall children's services improvement plan.	
6	Resourcing of specialist functions. Due to the likelihood that children with complex health needs will use services at Cissbury Lodge, additional functions will need to be delivered alongside residential care, including therapy and nursing support. There are recruitment challenges in these areas, in particular for nursing.	The resourcing of any nursing or therapy roles will begin as early as possible in order to meet the timeline for the reopening of the service. Existing or potential overlaps/sharing of resources with current council services or with health and/or education partners will also be considered.
7	Delivery of financial benefits. If the occupancy rates for the reopened homes are not reached, estimations of cost avoidance/financial benefits may not be reached.	An outcomes framework is to be developed for the service as part of the QA workstream, to ensure that the benefits of the new models can be tracked. This is to include financial benefits and will allow feedback to the scrutiny committee once homes have been reopened on the performance of the new models against targets.

7. Other Options Considered (and reasons for not proposing)

- 7.1 Do nothing - In effect, this would mean making no changes to the home and reopening as it is, with the bare minimum of work in order to achieve registration. Given the underlying issues that led to closure (i.e. significant issues relating to child safety), doing nothing would not be a viable option.

8. Equality and Human Rights Assessment

- 8.1. Cissbury Lodge children's home will be redesigned and remodelled based on the principle of promoting the independence of residents and teaching life skills wherever possible, which will have a significant impact on promoting the equality of residents (e.g. through incorporating accessible kitchens in to shared living areas to enable residents to more actively take part in their own care).
- 8.2. Developing the home as proposed will mean that any placement of a young person will better suit their individual requirements, with a 'team around the child' ethos present throughout the service. This provides more equality of access to appropriate services and supports keeping children close to their home and community connections. The public sector equality duty is discharged through existing residential care policies and procedures and these will not be affected by the proposals.

9. Social Value and Sustainability Assessment

- 9.1. A sustainability assessment has been undertaken for the programme, the overall results of which are shown.

Priority	Score
Best Start in Life	Very positive
Prosperous Place	Very positive
Safer Stronger Communities	Very positive
Independence for Later Life	Slightly positive
A Council that Works for the Community	Very positive

10. Crime and Disorder Reduction Assessment

10.1 N/A

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