

Report to the Cabinet Member for Children and Young People

March 2021

Remodelling of Orchard House children's home

Report by the Executive Director of Children, Young People and Learning

Electoral division: Cuckfield & Lucastes

Summary

Orchard House children's home in Cuckfield is part of the Council's Residential Service and caters for residential placements and short breaks for children with disabilities, with capacity for up to 16 children at one time. The home consists of;

- The main building, separated into 2 wings,
- Orchard Lodge, a stand-alone building on the premises, and
- The home's contact space, where supervised contact takes place between children and families

As part of phase 2 of the improvement programme to deliver the Residential Service Strategy approved by the Cabinet Member decision in October 2019 ([CYP03\(19.20\)](#)), remodelling and refurbishment works are required to resolve critical issues with the site, modernise the home and improve the facilities for those children resident at the home and those who undertake short breaks there.

It is proposed that two separate procurements take place to enable these improvements to proceed; one to cover works required to the supervised contact space and the other for the remodelling of the main site at Orchard House, incorporating the main building, lodge and grounds.

£397,000 has so far been approved from the capital programme for the design of the Orchard House site and a further £3.786m is requested, bringing the total estimated project cost to £4.183m.

Recommendations

- (1) That the Cabinet Member for Children and Young People approves the commencement of 2 separate procurement processes; the first for a contractor to deliver the works to the Contact Centre and the second for a contractor to

deliver the works to the main building and Orchard Lodge, and delegates authority to the Executive Director of Children, Young People and Learning, in consultation with the Director of Property and Assets, to award the contracts.

Proposal

1 Background and context

- 1.1 The children's in-house Residential Service is made up of 6 homes, of which 3 were closed due to quality and safety concerns that were identified in 2018.
- 1.2 A strategy for the residential service was approved by a Cabinet Member key decision in October 2019 ([CYP03\(19.20\)](#)), which set the in-house service within the wider strategic context of demand for children's placements and endorsed the option to maintain the current residential estate and seek to specialise in the care and support that it delivers.
- 1.3 The 3 closed homes (Cissbury Lodge, May House and Seaside) form phase 1 of the programme to deliver the residential strategy; all are currently in the construction phase and are projected to complete in March 2021. The remaining 3 homes (High Trees, Orchard House and Teasel Close) remain open and operational, subject to some restrictions on the delivery of short breaks as a result of Covid-19. All 3 open homes are rated either 'good' or 'outstanding' by Ofsted.
- 1.4 Local authorities should ensure they have a range of residential placements available to allow placements to be matched to each child's individual needs. The 1989 Children Act places a duty on local authorities to take strategic action by requiring them to secure sufficient accommodation within their area for their looked after children, so far as reasonably practicable (the sufficiency duty). In addition to the sufficiency duty, local authorities also have a duty under the Breaks for Carers of Disabled Children Regulations 2011 to provide short breaks for children with special educational needs and disabilities (SEND). The services offered at Orchard House are essential in supporting the Council to meet both of these duties.
- 1.5 Orchard House is located in Cuckfield and caters for residential placements and short breaks for children with disabilities, with capacity for up to 16 children at one time. It is currently graded as 'outstanding' by Ofsted (last inspection September 2019). The Council owns the freehold of the site. The home consists of;
 - The main unit, which is a large 2-storey building separated into 2 wings, one used for short breaks and the other for long stay placements,
 - Orchard Lodge, a two-storey detached building, used for children who require a separate environment,

- The contact centre, used by the home for court-ordered supervised contact between children and families, located within a temporary building on the neighbouring County Council owned site, and
- A large garden area, with a number of smaller outbuildings and staff/visitor parking

1.6 A feasibility study of the site was undertaken in September 2020 by the County Council's multi-disciplinary consultant (MDC), which identified the following issues;

- The buildings generally require remodelling to improve the layout and the use of existing spaces,
- A number of key areas are nearing the end of their life and require replacement or remedial works, including doors, windows, flooring, drainage and some electrical and mechanical systems,
- There is significant opportunity to improve the garden areas, one of the strengths of the site, in particular as the grounds lack pathways and existing pathways are uneven, posing trip hazards,
- Space is very limited in some areas, including office space, storage and entry/exit points, which become very busy during drop-off/pick-up times and are a hotspot for health and safety incidents,
- Ground floor level access is required throughout the buildings to improve accessibility,
- Whilst there is sufficient parking, it is some distance from the home given the needs of the children, with very restricted turning space closer to the home and insufficient safe pedestrian access, and
- The home currently uses a temporary building for supervised contact with families on the neighbouring site, also owned by the Council, and currently in the process of being sold; new additional contact space is therefore required within the grounds of the home

1.7 The majority of children with disabilities in residential care who are looked after by the Council are currently accommodated in placements located out of the county (61% as of February 2020). These placements are generally more expensive (on average £350 per child per week more expensive) so maintaining sufficient and appropriate provision in county, such as Orchard House, is therefore vital.

1.8 In recent months the Council has also experienced a new type of demand for bespoke solo residential placements for children with a very high level of need. Short-term arrangements have been sourced to meet this need (decision reference [OKD64\(20/21\)](#) refers), with the long-term intention being to deliver the accommodation for this requirement through the in-house residential service. Opportunities for this exist at the Orchard House site, specifically Orchard Lodge.

1.9 As a whole, the aim of the in-house service is to deliver outstanding care throughout all its homes. Whilst the focus of phase 1 was the reopening of

homes in order to both realign capacity and create more appropriate, safe and high-quality provision in response to demand, phase 2 will now concentrate on investing in those open homes in order to resolve critical issues with the sites and close the gap between good and outstanding care.

- 1.10 £397,000 has so far been approved from the capital programme to cover professional fees for the Council's multi-disciplinary consultant (MDC) to deliver the detailed design of the remodelled Orchard House.

2 Proposal details

- 2.1 The premises overall are proposed to receive a full refurbishment and reconfiguration to improve the layout of the premises and resolve all issues described in section 1.6.
- 2.2 The external space will be improved throughout, including garden space, footpaths, play areas, sensory spaces and improved vehicle/pedestrian access and parking.
- 2.3 An existing single storey detached building on the site, currently used for storage, will be converted to accommodate the new contact centre. As the existing contact space could be lost as early as the middle of this year, the design and tendering of the work to deliver the new contact centre will be accelerated and consequently will be procured separately to the work to the rest of the site.
- 2.4 There will be no change to the home's existing capacity or to the service delivery model, with the exception of Orchard Lodge, which will be remodelled to be used for emergency solo occupancy placements for children with disabilities. This will not affect the home's overall capacity.

3 Other options considered (and reasons for not proposing)

- 3.1 **Do nothing.** In effect, this would mean making no changes to the site. This likely represents the lowest immediate cost and in the short term the least disruption to ongoing services and children. However, given the state of the buildings and the underlying issues (i.e. building issues adversely impacting service delivery and staff having to make do/work around issues), it is likely that the cost of this option would be high in the long term, both in terms of ongoing maintenance and due to the impact to the service, children and families.
- 3.2 **Outsource all placements.** There is a high level of risk in this option in maximising the Council's reliance on the external market and creating a greater exposure to provider failure and to challenges in placing children with complex needs due to the lack of available placements. The latter of these in particular is a problem which is being experienced nationally. Relying entirely on the external market for all placements risks further exacerbating this issue.

4 Consultation, engagement and advice

- 4.1 The Children and Young People’s Services Scrutiny Committee considered the strategy for the service, including the proposal to improve Orchard House, at the meeting on 11 September 2019.
- 4.2 The Capital and Assets Board (the Council’s internal governance process for capital projects) has considered and supports the proposal and comments from the Board have been incorporated into the final proposal and recommendations. No material changes have been made to the proposal or the recommendations since consideration by the Board.
- 4.3 The local member has been updated on proposals for the home.
- 4.4 The Council’s multi-disciplinary consultant (MDC), led by Faithful and Gould, was engaged to assess the feasibility of these proposals and have been engaged to deliver the design and management of the project.
- 4.5 Planning applications will be made for this proposal, giving an opportunity for residents to raise comments and concerns about the proposed developments through the planning process.
- 4.6 The relevant officers from finance, legal, procurement and capital delivery have been consulted on these proposals.
- 4.7 Children resident at the home and the staff who work there will be involved in the design process and kept up to date as to progress.

5 Finance

5.1 Revenue consequences

Revenue projections are based on the change of purpose of Orchard Lodge (1 bed) from providing residential care in line with the rest of the home, to providing emergency solo occupancy care for children with complex needs, which requires a higher ratio of staff to children. There will be no other revenue impacts elsewhere within the home.

Table 1 - revenue impacts of proposal

Item	Revenue budget impact (£m)
Estimated increase in Orchard Lodge staffing costs, based on an additional 3.5 FTE Residential Childcare Workers.	0.103
Estimated increase in external placement costs due to change in service model at Orchard Lodge.	0.216
Estimated cost avoidance from providing 1 new solo occupancy emergency bed at Orchard Lodge for children with disabilities and complex needs (based on average commitments per child for solo occupancy placements in 2020/21, incl. care and accommodation).	-0.361
Net change	-0.042

The estimated net impact of these changes indicates that the service can be run at least as cost-effectively as the current service under this new model, if not more so.

5.2 Capital consequences

The breakdown of projected capital costs for this project is as follows.

Table 2 - projected capital costs of proposal

Item	Total (£m)	% of budget
Construction	3.033	72%
Contingency	0.491	12%
MDC professional fees	0.530	13%
Allowances for items outside of contract (e.g. ICT)	0.068	2%
Inflation	0.061	1%
Total	4.183	100%

In terms of financial risk-management measures, a total contingency of £0.491m has been included in the budget, which is 12% of the total project cost. This contingency is for use in the event of client-driven changes to the project brief as well as changes relating to design intent including, but not limited to, impact of survey information, planning requirements and environmental issues. The effect of inflation has also been taken into account.

The projected capital consequences of this project, comparing the profiled budget against the current capital programme allocation for phase 2 of the residential improvement programme, are as follows (NB it should be noted that the years within which the phase 2 allocation falls can change if required, so long as the proposal stays within the total allocation).

Table 3 - capital consequences of proposal

Item	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m	Year 5 2023/24 £m	Total
Children's Social Care Phase 2 allocation	-	-	3.000	1.500	0.700	5.200
Change from Proposal – remodelling of Orchard House	-0.070	-3.357	-0.756	-	-	-4.183
Variance from allocation	-0.070	-3.357	2.244	1.500	0.700	1.017

5.3 The effect of the proposal:

(a) How the cost represents good value

The procurement for the contractor will ensure that the works required under this proposal will represent best value.

(b) Future savings/efficiencies being delivered

Whilst the focus of this proposal is the improvement of critical resources to support the continuing delivery of outstanding care, as set out in table 1, the financial modelling shows that £0.042m of costs could be avoided each year through providing a new solo occupancy emergency bed at Orchard Lodge for children with disabilities and complex needs.

(c) **Human Resources, IT and Assets Impact**

To deliver emergency solo occupancy placements for children with disabilities and complex needs in Orchard Lodge, additional staffing will likely be required. This has been accounted for in the revenue consequences (section 5.1) and will be offset by the net reduction in spend on external placements.

6 Risk implications and mitigations

	Risk	Impact	Mitigating Action
1	Impact of COVID-19 pandemic on the construction industry.	Some delay to lead times for specific items has already been seen in phase 1 – this may extend the timeline for works, particularly if restrictions are extended.	Phase 1 of this programme has seen some impact, but this has been small when considering that work has continued largely uninterrupted throughout the initial outbreak and subsequent lockdowns. The MDC project team will liaise with contractors to ensure that all materials are ordered in good time wherever possible, building on learning from phase 1.
2	Disruption caused by work.	Construction work will be unable to take place without some disruption to services delivered at the home for children and their carers/ families, and for staff also.	Communication and planning with children, families and staff, well in advance of any move, will be critical. The intention is to stagger the work across the home, closing one wing then the other, so that the home delivers a level of service throughout construction works.
3	Availability of contact space	The neighbouring site, in which the current contact space is located, is due to be sold subject to planning, with current estimates indicating that the space could be lost as early as mid-2021. Feasibility estimates indicate the new contact centre may not be ready until Jan 2022.	With advanced planning, the home will be able to manage within its available space for this period. However, should this timeline lengthen, it would soon become unsustainable, in particular because contact space is at a premium throughout children’s services at the moment.

7 Policy alignment and compliance

7.1 Legal implications

The development of the Orchard House site is necessary in order for the Council to discharge its statutory obligations where children and young people are concerned. The development is being project managed by the Council’s Multi-

Disciplinary Consultant ("MDC") who were procured following a fully compliant competitive process in 2018. The works contract sum estimate, at £4.183m, is below the threshold for works contracts but the contractor (s) will be procured in compliance with public procurement principles and the Council's Standing Orders on Contracts and Procurement.

7.2 **Equality duty and human rights assessment**

People with disabilities experience disadvantages across a whole range of life areas, including education, work and health. The remodelling of Orchard House will enable this home to better support the children placed there and their families to achieve their full potential.

7.3 **Climate change**

The following items have been proposed as part of the feasibility study to improve the sustainability of the site and support the Council in meeting its commitment to be carbon neutral by 2030;

- Improvements to ecology and biodiversity within the grounds,
- Improvements to basic water management,
- Increasing insulation,
- A 'building fabric first' approach for a positive impact on quality as well as energy efficiency,
- An audit of furniture, fittings and equipment to identify what can be reused, and
- Improvements to mechanical and electrical systems, including gas alternatives, photovoltaic installation, battery storage, smart metering and electrical vehicle charging

7.4 **Crime and disorder**

Most of the homes within the Residential Service either sit within residential areas and/or are overlooked or directly adjacent to other properties. Although neighbours are often unaware of the home's purpose issues relating to security and privacy can arise. To help resolve this, improvements to borders and fencing will be included within the scope of this proposal, as well as a review of security arrangements including CCTV and access.

7.5 **Public health**

One of the key goals of the West Sussex Joint Health and Wellbeing Strategy 2019-24, under the 'starting well' priority, is that children grow in a safe and healthy home environment with supportive and nurturing parents and carers. The remodelled Orchard House will continue its delivery of outstanding care to create a supportive and nurturing environment in which children can thrive.

7.6 **Social value**

Some further areas where this proposal will meet Council objectives and increase social value are;

- **Keeping people safe from vulnerable situations.** Through the delivery of short breaks and outreach work from Orchard House, the service supports and stabilises children and families in maintaining a secure home environment, whilst providing a safe and supportive home for children and young people in full time care.
- **Helping people and communities to fulfil their potential.** Children's homes play a pivotal role in supporting a child's access to education. Residential staff work closely with children, their families and schools to enable this, from the practicalities of transport to/from school each day, to creating an environment in the home which encourages school engagement and attendance. Staff at Orchard House also work with children and young people to prepare them for adulthood with training in life skills. A positive preparation for independence and maintaining employment and a tenancy has a significant impact on young people's outcomes.

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Background Papers - None