

<b>Report to:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	5 July 2021
<b>Reporting Officer:</b>	Councillor Bill Fairfoull – Deputy Executive Leader (Children and Families) Tracy Morris – Assistant Director Children’s Social Care
<b>Subject:</b>	<b>CHILDREN’S SOCIAL CARE CAPITAL SCHEMES UPDATE REPORT</b>
<b>Report Summary:</b>	This report provides an update on the Children’s Social Care Property Capital Scheme and sets out details of the major approved property capital schemes in this Directorate.
<b>Recommendations:</b>	Members are asked to recommend to Executive Cabinet that: <ul style="list-style-type: none"> <li>i. The 2020/21 Capital Expenditure Outturn position in <b>Appendix 1</b> is noted and approve the budget slippage.</li> <li>ii. Approve the repurpose of St Lawrence Road to become the Assessment Unit rather than the Respite Unit as originally planned.</li> <li>iii. Approve the additional drawdown of £3,800 to allow completion of the St Lawrence Road scheme.</li> <li>iv. Note the delays in relation to the purchase of the new residential property, which approval is now sought to purchase a property for the respite unit.</li> <li>v. Approve the utilisation of the approved budget available of £397,327, which was originally to purchase a property for an assessment unit to purchase a property to become a respite unit.</li> </ul>
<b>Corporate Plan:</b>	The schemes set out in this report supports the objectives of the Corporate Plan and enable the delivery of the Children’s 7 point plan.
<b>Policy Implications:</b>	In line with Policy and Financial Framework
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>This report is seeking approval to draw down £3,800 from the remaining Children’s Earmarked Reserve. The St Lawrence Road scheme requires an additional £3,800 as set out in section 2.3. If approved the balance of the Children’s Earmarked Reserve would be £383,200.</p> <p>Without the approval of the £3,800 the scheme is likely to overspend and the asset will not be brought into use to support the children’s service improvement plan. Should there be any surplus on completion of the scheme this will be returned to the earmarked reserve.</p> <p>There is approved available budget of £397,297 for the purchase of a property. As set out in the recommendations, approval is sought to utilise this budget to purchase a property for a respite unit rather than an assessment unit. The opening of a respite unit is part of the children’s services 7 cared for children sustainability plan. The purchase of a property was always part of the plan albeit the intention is now to purchase a property to use as the respite unit rather than the assessment unit. Should there be any surplus on</p>

completion of the scheme this will be returned to the earmarked reserve.

Delays in the in purchasing a property would result in increased costs due to the ending of stamp duty relief which means there are reduced rates of stamp duty up to 30 September 2021. If a property is purchased after this date we are will incur a stamp duty charge estimated to be 3% of the purchase price up to £125,000 and 5% of the purchase price above £125,00 and up to £250,000. The team are looking at a house for between £200,000 and £250,000, which would result in an increase cost of £10,000 to £260,000.

The current anticipated level of capital receipts of £15.3m is based on the disposal of surplus assets approved by Executive Cabinet in September 2020. The current approved capital investment programme requires a minimum of £22.219m of capital receipts or reserves. Additional Statutory Compliance works are also expected to be approved requiring a further £0.499m of receipts or reserves, bringing the total call on corporate resources to £22.718m. Any additional priority earmarked schemes that are approved by Executive Cabinet will increase the amount of corporate funding needed for the capital programme.

<b>Available Corporate Funding:</b>	£000s
Capital Reserves	£14,593
Anticipated Capital Receipts	£15,300
<b>Total</b>	<b>£29,893</b>
<b>Funding committed to approved schemes:</b>	
2020/21 approved programme	£7,953
2021/22 approved programme	£14,266
Statutory Compliance earmarked pot	£499
<b>Total</b>	<b>£22,718</b>
<b>Balance of forecast funding available</b>	<b>£7,175</b>
Earmarked Schemes previously on capital programme*	£39,867
<b>Shortfall in funding for earmarked schemes</b>	<b>-£32,692</b>

Earmarked schemes previously included on the capital programme (reflected as \* in the figures above) are almost £40m. Assuming that the planned disposals proceed there is a forecast balance of £7.175m of capital receipts to fund future earmarked capital schemes – a shortfall of more than £32m - meaning the broader capital ambition of the Council is currently unaffordable until such time as additional capital receipts are generated. Many of the earmarked schemes were identified in 2017/18 and therefore are now the subject of a detailed review and reprioritisation.

The Growth Directorate is reviewing the estate and developing a further pipeline of surplus sites for disposal, and a full refresh of the Capital Programme is being undertaken alongside this review of the estate. With the exception of the Statutory Compliance works, all other earmarked schemes will be removed from the programme and subject to review. A refreshed and reprioritised Capital Programme will then be proposed for Member approval in Summer 2021.

#### **Legal Implications:**

The purpose of this report is to provide Members with an overview of the capital projects and to provide a forum for challenge to ensure

**(Authorised by the  
Borough Solicitor)**

that the projects are being delivered in a timely manner and represent good value for money for the council.

Each project detailed in this report is subject to its own governance and decision making as appropriate to ensure that all decisions especially in relation to spend are made in accordance with the constitution and relevant standing orders.

**Risk Management:**

This is covered in the content of the report

**Access to Information:**

By contacting the report author.

**Background Information:**

The background papers relating to this report can be inspected by contacting Karen Brougham



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## 1. INTRODUCTION

- 1.1 This report provides an update on the Children's Social Care property capital projects, within the Capital Programme managed by the Directorate and sets out details of the major approved property capital schemes in this Directorate.
- 1.2 The current capital programme as recommended by SPCMP on 9 October 2017 and subsequently approved by Executive Cabinet on 18 October 2017, included funding support Capital Investment in Children's Social Care. The total Capital funding earmarked is £950,000.
- 1.3 The following projects already approved from this Capital allocation are as follows:
  - Assessment Unit - £400,000
  - Respite Unit - £93,000
  - Edge of Care Service Base - £70,000

This leaves a remainder of £387,000 in the earmarked reserves

## 2. PROGRESS UPDATE

### **Assessment and Respite Units (Total Funding Approved - £493,000)**

- 2.1 The original plan was to purchase a property to deliver an assessment unit. It is proposed St Lawrence Road (originally identified to be a respite unit) is repurposed to deliver an assessment unit, whilst continuing to pursue purchasing a property to deliver a respite unit.
- 2.2 In consultation with colleagues in Growth St Lawrence Road is considered to be a more appropriate building to deliver an assessment unit from given the size of the building and its location with easy access to public transport and local amenities.
- 2.3 St Lawrence Road is a large 4 bedroom property which if it was used as a Respite Unit would leave some of the space underutilised. The property as well as having 4 bedrooms, could easily accommodate 3 bedrooms for children alongside a staff sleep in room and office there is also a large amount of living space, a dining room and a large kitchen therefore it is felt this property meets the brief for an assessment unit. Using St Lawrence Road as the Assessment Unit also means that we could deliver the much needed assessment unit in a more timely way and therefore would be able to avoid spend on children having to be placed in private residential provision due to the lack of internal resource. Furthermore it was felt that a suitable property for a respite unit would be easier to source within the Tameside housing market and would be less costly as the respite unit requires a smaller property.
- 2.4 Purchasing a property to deliver a respite unit is a matter of urgency to fulfil this requirement. A suitable property search is underway and will be fully completed in 2021. It is anticipated that the cost of this will be less than that of purchasing a property for an assessment unit. At this stage, the cost is unknown until an appropriate property is identified, therefore it is proposed that the remaining budget of £397,297 originally approved for the assessment unit is utilised to purchase a property for the respite unit.
- 2.5 Purchasing a Respite property has been delayed due to the difficulty in identifying a suitable property in the current market. Support required from the Growth team to help identify a more suitable property and progress as a priority to enable the delivery of the 7 Cared for Children's Sustainability projects in Childrens Social Care.

### **St Lawrence Road**

- 2.6 As per the last report the estimated costs for St Lawrence Road were £48,000, these were based on a costed schedule of works identified by the LEP, relating to fire safety compliance

work, electrical work, refurbishment of offices and furnishing the unit. After the commencement of the work, further electrical work became necessary and this has resulted in a delay in completion and additional costs of £76,500, due to the nature of the works identified being compliance works these have been picked up by Corporate Landlord. The revised estimated cost for Children's of the whole scheme is £96,800. Therefore, there is currently a shortfall of £3,800, this relates to an energy saving lighting system and additional network points needed. It is requested that Panel recommend to Executive Cabinet an additional drawdown of £3,800 to allow completion of this scheme.

2.7 Works on the unit have now completed and the unit is in the process of being handed over to Children's Services and the Ofsted registration process is now underway.

**Edge of Care Service (Funding Approved - £70,000)**

2.8 All works are complete.

**3. RECOMMENDATIONS**

3.1 As set out at the front of the report.

## Appendix 1

Scheme Name	2020/21 Approved Budget Allocation  £	2020/21 Outturn  £	2020/21 Variation  £	2021/22 Approved Budget Allocation  £	Outturn Slippage  £	Proposed Changes  £	2021/22 Budget (Subject to Slippage & Proposed Changes Approval) £
Assessment Unit	84,000	2,703	81,297	316,000	81,297	0	397,297
St. Lawrence Road	93,000	45,161	47,839	0	47,839	3,800	51,639
Fairfield CC	70,000	69,338	662	0	0	0	0
<b>Total</b>	<b>247,000</b>	<b>117,203</b>	<b>129,797</b>	<b>316,000</b>	<b>129,135</b>	<b>3,800</b>	<b>448,935</b>