

Cabinet
18 June 2015

7. RESOURCES REPORT – POST-16 SUPPORTED LIVING

Relevant Cabinet Member

Mr A I Hardman

Relevant Officer

Chief Financial Officer

Recommendation

1. The Deputy Leader and Cabinet Member with Responsibility for Children and Families recommend to Cabinet that Council is requested to approve the addition of £1 million to the Capital Programme for the development of in-house Post-16 Supported Living Accommodation within Children's Services to be funded by revenue savings from the project.

Introduction

2. This report outlines a proposal to add a project to the Council's capital programme.

Addition to the Capital Programme – In House Supported Living Accommodation – Children's Services

3. The County Council currently provides a range of post-16 supported living options to a cohort of 83 young people. Some of these young people are subject to a Care Order, some are accommodated and some have been assessed as Children in Need and requiring provision from Children's Social Care. The services are mostly bought-in from the external market for a total annual cost of around £2.5m.

4. Following an assessment of cost and quality, the Council could offer a significantly better service at reduced cost, compared with some of the external provision, if it had direct access to its own property for post-16 supported living. Alongside this there will be a re-tender seeking cost/volume contracts with a small number of external providers with the aim of having a mix of high quality internal and external provision.

5. It is recommended that a sum of £1 million is included in the Capital Programme for the purchase of a diverse property portfolio to provide a suitable service, with the capital investment being funded by a revenue contribution from the savings achieved by project. As this project is self-financing there is no impact on the Council's borrowing.

6. The types of properties being explored include 1 and 2 bed flats, as well as 3 and 4 bed houses. The 4 bed properties will need to have a facility for on-site staff presence. They will be spread across the county to meet the need of the specific young people placed.

7. The revenue savings and cost reductions will be generated by allocating in-house supported living placements to young persons who are either already placed in a more expensive provision or whose placement would have cost more in alternative provision.

8. Based on current service volume and usage, estimated gross cost reductions are in the region of £0.492 million per annum, which would equate to a 2 year payback of the initial capital sum. In practice, the capital would be repaid over a longer period of time for financial management purposes.

9. Investment into the new service would be required for staffing and property maintenance, repairs and cleaning. This investment would also be funded by the project savings. The overall net saving is therefore estimated at £0.312 million per annum and would contribute to reducing cost pressures on the Looked After Children placement budgets.

Contact Points

County Council Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:-

Previous Cabinet Resources reports