



Civic Centre  
HARTLEPOOL

4 December, 2023

Councillors Allen, Ashton, Boddy, Brash, Brown, Buchan, Cassidy, Clayton, Cowie, Cranney, Creevy, Darby, Dodds, Dunbar, Feeney, Groves, Hall, Hargreaves, Harrison, Holbrook, Howson, Leedham, Lindridge, Little, Martin-Wells, Moore, Morley, D Nicholson, V Nicholson, Oliver, Reeve, Sharp, Smith, Thompson, Wallace and Young.

Madam or Sir,

You are hereby summoned to attend the EXTRAORDINARY COUNCIL meeting to be held on WEDNESDAY, 13 DECEMBER 2023 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

D McGuckin  
Managing Director

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# EXTRAORDINARY COUNCIL AGENDA



**Wednesday 13 December 2023**

**at 7.00 pm**

**in the Council Chamber,  
Civic Centre, Hartlepool.**

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To consider the following:-  
Development of Children's Home – Report of Finance and Policy Committee

#### CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

<h1 style="margin: 0;">COUNCIL</h1> <h2 style="margin: 0;">30 NOVEMBER 2023</h2>
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**Subject:** DEVELOPMENT OF CHILDREN'S HOME  
**Report of:** Finance and Policy Committee

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**1. COUNCIL PLAN PRIORITY**

<b>Hartlepool will be a place:</b>
- Where those who are vulnerable will be safe and protected from harm.

**2. PURPOSE OF REPORT**

2.1 To enable Members to consider a proposal to increase the Council's children's home capacity. The report attached at **Appendix 1** was presented to a meeting of Finance and Policy Committee on 27 November 2023 for approval and referral to Council for the use of prudential borrowing to fund the redevelopment of the Star Centre to increase the Councils children's home capacity. A verbal update on the outcome of the discussion at Finance and Policy Committee will be provided at Full Council to inform decision making on this matter. **Additional information is set out in CONFIDENTIAL Appendix A This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 1, 2 and 3). Information relating to any individual/likely to reveal the identity of an individual/Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

**3. RECOMMENDATIONS**

3.1 That Council consider the recommendation of the Finance and Policy Committee.

**4. REASONS FOR RECOMMENDATIONS**

- 4.1 To enable the Star Centre to be developed as a Children’s Home which will provide a reduced cost for care compared to external provision.

**5. BACKGROUND PAPERS**

- 5.1 Finance and Policy Report Medium Term Financial Strategy 03 July 2023.

**6. CONTACT OFFICERS**

Sally Robinson  
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James Magog  
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Sign Off:-

Managing Director	Date: 14/11/2023
Director of Finance, IT and Digital	Date: 14/11/2023
Director of Legal, Governance and HR	Date: 14/11/2023

<p><b>FINANCE AND POLICY COMMITTEE</b></p> <p><b>27 NOVEMBER 2023</b></p>
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**Subject:** DEVELOPMENT OF CHILDREN’S HOME

**Report of:** Executive Director of Children and Joint Commissioning Services, Executive Director of Development, Neighbourhoods and Regulatory Services and Director of Finance, IT and Digital

**Decision Type:** Key Decision, Test (i) General Exception applies

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**1. COUNCIL PLAN PRIORITY**

<p><b>Hartlepool will be a place:</b></p>
<ul style="list-style-type: none"> <li>- Where those who are vulnerable will be safe and protected from harm.</li> </ul>

**2. PURPOSE OF REPORT**

2.1 To enable Members to consider a proposal to increase the Council’s children’s home capacity.

**3. BACKGROUND**

3.1 As outlined in successive reports to Finance and Policy Committee, councils have seen a sustained increases in the numbers of vulnerable children requiring care and support. Currently there are 340 children and young people in the care of Hartlepool Borough Council and this represents a rate of 169 per 10,000 children.

3.2 The MTFs report presented to Finance and Policy Committee on 03 July 2023 detailed the challenges in placement sufficiency for children in care and in particular the high costs of placements for those with the greatest need. The number of children in our care within external residential placements has only increased by two children in the past two years; as at 30 September 2023 there were 37 compared with 35 in July 2021. However, the increasing complexity of children’s needs and finite capacity in the residential market is

leading to ever increasing prices being charged for residential care. The average weekly cost of a placement has increased by over 45% over the last three years as outlined in the MTFs report. Currently, the highest external placement cost is in excess of £11,000 per week.

- 3.3 In response to the challenges posed by the external residential sector market, HBC opened a new children's home and this has prevented the need for higher cost placements for these young people in the independent sector. Two children from external residential placements have moved into this home.
- 3.4 In the context of the current level of demand and new and emerging demand in particular the transfer of young people under the National Transfer Scheme further placement capacity is needed to meet existing and forecast demand and ensure the Council has sufficient supply of placements within residential care. Currently the Council operates five children's homes which provides a permanent home for 14 children and short break care for children with additional needs. These homes are fully occupied and the children who live there receive high quality care and support. Children's homes are regulated by Ofsted and all are judged to be good with one home judged as outstanding.
- 3.5 Due to all the Council's homes being fully occupied, where a child in our care requires a placement in residential care it is necessary to seek a placement in the independent sector. It is widely recognised that the cost of these placements is increasing at a rate significantly above inflation and providers are profiteering from vulnerable children. Too many local authorities are experiencing high levels of demand for young people with complex care needs and there is a shortage of providers that can care for these young people. This further drives placement costs.

#### **4. PROPOSALS/OPTIONS FOR CONSIDERATION**

- 4.1 The proposal is to bring a former children's home in the Council's ownership back into use to provide care for three children and split the building into two homes offering a specialist one bed home and two bed home. The one bed home will be available from May 2024 following completion of the work and registration with OFSTED with works to the two bed home following on from this.
- 4.2 The 'Star Centre' has been office accommodation for the past 20 years. The building requires significant internal building work to meet current building standards and Ofsted regulations for children's homes. Planning permission was granted by Planning Committee on 16 August 2023. The Managing Director, under urgency powers (delegation MD8 in the Constitution refers), agreed that the costs of the urgent works, estimated to be in the region of £45,000, would be funded from a STAR Centre unscheduled maintenance budget. Subject to the decision of Full Council on 30th November, then this funding will be replaced if the prudential borrowing decision is approved.

- 4.3 Consideration has been given to purchasing two properties and refurbishing these to children's homes standards, however, this has been discounted for the following reasons:
- The cost of purchasing and refurbishing two properties are likely to be higher than those estimated to develop the Star Centre;
  - Finding properties that are suitable and appropriately located for development as a children's home will be challenging;
  - Timescales for completion will be significantly longer due to the need to locate and purchase accommodation, apply for planning/certificate of lawfulness and then undertake any required refurbishment works to meet children's home and building regulation standards;
  - The STAR Centre benefits from creating two properties next to each other and this will yield operational savings in terms of one unit manager over both homes.
- 4.4 Additional information is set out in **CONFIDENTIAL Appendix A This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 1, 2 and 3). Information relating to any individual/likely to reveal the identity of an individual/Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

## 5. FINANCIAL CONSIDERATIONS

- 5.1 The costs of the renovation are estimated to be £700,000. Works are required to bring the property up to current Building Regulation standards with significant works required to upgrade the mechanical and electrical parts of the building as well as installing fire doors to the property. A summary breakdown of the costs are as follows:

<b>Cost breakdown</b>	<b>Cost (£)</b>
Preliminaries	£ 30,000.00
Construction	£ 326,532.00
Mechanical	£ 96,155.00
Electrical	£ 78,015.00
Asbestos Removal	£ 24,675.00
Alarm System	£ 23,375.00
Inflation	£ 33,225.00
<b>Sub-total</b>	£ 611,977.00
<b>Contingency</b>	£ 30,598.85
<b>Construction total</b>	£ 642,575.85
<b>Fees</b>	£ 57,423.45
<b>Total Budget Estimate</b>	£ 699,999.30

- 5.2 It is proposed to use prudential borrowing to fund this scheme. Based on current interest rates the annual cost of borrowing is forecast to be £44,000 per annum. Note the actual costs incurred will be dependent on the prevailing interest rate at the time the council takes out the borrowing.
- 5.3 Given the current differential between external placement costs and residential care provided by HBC, this will reduce the overall cost the council incurs for a child in residential care. As such it is financially advantageous for the Council to progress the scheme. Analysis of placement cost shows that residential care provided by HBC is approximately 30% less than the lowest priced placements in the independent sector.

## 6. OTHER CONSIDERATIONS/IMPLICATIONS

<b>RISK IMPLICATIONS</b>	<p>There are key two risks:</p> <ul style="list-style-type: none"> <li>• The cost and availability of building materials may affect both the completion date and forecast costs of the project</li> <li>• If the project does not go ahead, the Council will continue to be reliant on the volatile external care market and rising costs.</li> </ul>
<b>LEGAL CONSIDERATIONS</b>	There are no legal considerations arising from this report
<b>CHILD AND FAMILY POVERTY</b>	There are no specific child and family poverty considerations arising from this report, the Council has a statutory duty to provide children in our care with accommodation, care and support.
<b>EQUALITY AND DIVERSITY CONSIDERATIONS</b>	There are no specific equality and diversity considerations arising from this report. The Star Centre building works will meet compliance standards for the Disability Discrimination Act and be responsive to the individual needs of the children who will reside there.
<b>STAFF CONSIDERATIONS</b>	There are no staffing considerations arising from this report.
<b>ASSET MANAGEMENT CONSIDERATIONS</b>	A Council asset will be developed into a children's home.
<b>ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS</b>	The property will be upgraded to meet the latest Building Regulation standards which will include energy efficiency measures. In addition this will bring a vacant building back into use preventing it from becoming derelict.



<b>CONSULTATION</b>	Formal consultation as required for Planning Committee has been completed and responses reported to that Committee. Planning was granted by Planning Committee on August 8 <sup>th</sup> 2023.
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**6. RECOMMENDATIONS**

6.1 It is recommended that Members agree to the proposal to increase the council’s children’s home capacity by redeveloping the Star Centre and refer the use of Prudential Borrowing of up to £700,000 to Full Council for approval.

**7. REASONS FOR RECOMMENDATIONS**

7.1 To enable the Star Centre to be developed as a Children’s Home which will provide a reduced cost for care compared to external provision.

**8. BACKGROUND PAPERS**

8.1 Finance and Policy Report Medium Term Financial Strategy 03 July 2023.

**9. CONTACT OFFICERS**

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Sign Off:-

Managing Director	Date: 02/11/23
Director of Finance, IT and Digital	Date: 02/11/23
Director of Legal, Governance and HR	Date: 07/11/23