

EAST AYRSHIRE COUNCIL

CABINET – 4 MARCH 2009

MEMBER / OFFICER WORKING GROUP: OPTION APPRAISAL – REPLACEMENT CHILDREN'S RESIDENTIAL HOUSE

Report by the Executive Director of Educational and Social Services and the Executive Head of Finance & Asset Management

1. PURPOSE OF REPORT

- 1.1 To inform cabinet of the work of the Member / Officer Working Group which completed an option appraisal of site options for a replacement children's residential house for the Kilmarnock area, and to recommend a site option based on this appraisal.

2. BACKGROUND

- 2.1 The Member / Officer Working Group met on four occasions on Monday 17 November 2008; Tuesday 2 December 2008; Wednesday 28 January 2009 and Wednesday 4 February 2009 (appendices 1 – 4).

- 2.2 The group remit was to :

- consider the site options for the new replacement children's residential house to be located in Kilmarnock; and
- consider market testing for the external provision of residential social care services.

- 2.3 The group meeting on Tuesday 2 December 2008 considered a joint report submitted by the Executive Director of Educational and Social Services and the Executive Head of Finance and Asset Management which advised of the initial appraisal of site options for a replacement children's house for Kilmarnock against fundamental assessment criteria. These were:

- Site size – the site options must provide a minimum area of 3,500m² to allow for a single storey development (based on Sunnyside Children's Unit model;)
- Ground conditions – the site must not have any known presence of contaminates, mining workings etc;
- Topography – the site must be fairly level and not within a known flood risk area;
- Geographical location – the site must not be secluded or neighbouring existing facilities of similar nature, and within the Kilmarnock conurbation

- 2.4 Sixteen site options were initially considered in relation to the assessment criteria (appendix 5). This resulted in three sites being short listed.

- 2.5 It was agreed that a more detailed appraisal exercise be undertaken against 3 short-listed sites. The aim of the more detailed appraisal exercise was to assess the

short-listed site options against financial and non-financial assessment criteria, and to recommend a preferred option based on this appraisal.

2.6 The outcomes of the market testing exercise confirmed that the Council should not externalise the provision of the new children's residential house.

3. SCOPE OF PROJECT

3.1 The aim of the Residential Child Care provision within East Ayrshire is to create a safe and secure environment for children and young people living away from home, and to work in partnership with young people and their families to provide a service which meets their individual needs.

3.2 In order to deliver on the aims of the Residential Child Care provision, the following features are deemed essential in the project design:

- Eight-bedded, single storey, new build children's residential house in Kilmarnock;
- Primary accommodation for young people in the age range 12 – 18, although younger children and their families may also require to be accommodated on occasion;
- Site flexibility to allow for the creation of ample space between residential house and adjoining properties;
- Community centred;
- Transitional options for independent living;
- Meets regulation and guidance standards as per the Regulation of Care (Scotland) Act 2001.

4. APPRAISAL OF OPTIONS

4.1 Short-listed Site Options

4.1.1 The following sites were short-listed after completion of an initial option appraisal exercise :

- Land at Beech Avenue, Kilmarnock (appendix 6)
- Land at Grassyards Road, Kilmarnock (appendix 7)
- Land at MacDonald Drive, Kilmarnock (appendix 8)

4.2 Option Appraisal Methodology

4.2.1 The Corporate Management Team on 31 October 2007 approved the adoption of Total Project Management (TPM) as the corporate project management framework for East Ayrshire Council. The TPM framework applies the project management structure as defined by PRINCE2.

4.2.2 TPM requires that all capital scheme proposals are supported by thorough justification, which includes a reliable assessment of requirements, expectations and options, to ensure that it is based on consistent and adequate information. Key to this is undertaking option appraisal which takes account of corporate priorities and service objectives, along with an assessment of on-going capital and revenue implications and asset management implications.

4.2.3 A weighting and scoring approach has been adopted within the TPM Framework. Weighting and scoring enables a consistent comparison of unvalued costs and benefits. The basic approach involves assigning weights to the project assessment criteria, based on their relative importance, and then scoring each option in terms of how well it performs against those weighted objectives. The weighted scores are then totalled and the options ranked.

4.2.4 The option appraisal methodology adopted for the proposed replacement children's residential house is therefore comprised of three elements; financial, asset management and strategic assessment; weighed 50% financial, and 50% non-financial (split 40% strategic assessment and 10% asset management).

5. Strategic, Financial and Asset Management Assessment

5.1 Strategic Assessment – (Weighting 40%)

Strategically Focused Objectives

5.1.1 A key element in all option appraisals is to define a clear set of objectives. As part of this project strategically focused objectives have been established by Social Services that are sufficiently broad and joined-up, giving due regard to the unique and sensitive nature of this exercise.

5.1.2 Each option has therefore scored giving due consideration to the objectives set out below. See Appendix 9 for details.

- Site allows for the creation of quality accommodation solutions that provide a secure and safe environment for resident children and young people, to the highest standards of care to meet regulation and guidance standards as per the Regulation of Care (Scotland) Act 2001
- Site option is community centred with access to quality services, including education, health, leisure and recreation
- Site is accessible for local transport links to ensure participation of families in young people's care plans and continued links with friends and family
- Site is located within areas with a balanced social-economic profile
- Site allows for development of flexible accommodation solutions that maximises opportunities to develop integration with community living, and transition to independent living

5.1.3 This element of the option appraisal process was completed by the co-opted Members on the Member / Officer Working Group at a separate meeting held on the 28 January 2009. A copy of the consensus scores and associated notes in relation to the Strategic Assessment exercise has been attached at Appendix 9.

5.2 Asset Management – (Weighting 10%)

5.2.1 It is important to assess each option relative to important Asset Management criteria, such as availability of site, ground conditions, access, planning and strategic environmental considerations, layout, traffic impact assessment and other important business efficiency factors.

5.2.2 It should be noted that the Asset Management assessment has been carried out as a “desk top” exercise only. Where the exercise highlights any concerns, consideration will be given to undertaking more detailed surveys where necessary before proceeding any further with the selection of a site.

5.2.3 This assessment was scored in a manner consistent with the Strategic Assessment by representatives from the Finance & Asset Management Service. See Appendix 10 for details.

5.3 Financial Assessment – (Weighting 50%)

5.3.1 As part of this exercise, the Finance & Asset Management Service has assessed the costs relating to the options under consideration. The following financial information has therefore been collated for each option:

- Initial capital expenditure
- Any capital receipts
- Whole life capital and revenue costs, including an assessment of revenue savings where applicable
- Any expected income generated over the whole life of the asset

5.3.2 When comparing options, some costs and benefits will occur in different time periods. The technique of discounting has therefore been used to convert costs and benefits to Net Present Values (NPV) for comparative purposes. The NPV assessment for each option has therefore been transposed into a points score with the lowest NPV receiving 100, and all other options receiving points based on their proximity to the lowest. See Appendix 11 for details.

6. RECOMMENDED SITE OPTION BASED ON APPRAISAL EXERCISE

6.1 Attached at Appendix 12 are details of the consolidated Financial, Strategic and Asset Management Assessment scores for the options under consideration. The weighted scoring for each option is therefore summarised below:

Option	Strategic Assessment	Asset Management	Financial Assessment	Total
Option 1 – Land at Beech Avenue	20.00	8.30	49.45	77.75
Option 2 – Land at Grassyards Road	28.00	8.30	50.00	86.30
Option 3 – Land at MacDonald Drive	28.00	8.30	50.00	86.30

6.2 Based on the consolidated scores from the option appraisal exercise, two options have received the same highest score; Option 2 – Land at Grassyards Road and Option 3 – Land at MacDonald Drive. The site at Beech Avenue has the lowest score.

6.3 A further meeting of the Member / Officer Working Group was held on 4th February 2009 to discuss in more detail the outcome of the consolidated scoring exercise and reflect on additional information provided by Social Services in relation to the sites at Grassyards Road and MacDonald Drive. It was agreed by the Member / Officer Working Group that the site at Beech Avenue would be excluded from any further consideration as part of the option appraisal exercise on the basis that the consolidated score was less than Options 2 and 3.

6.4 Whilst acknowledging that both Options 2 and 3 had received the same overall consolidated score, it was the view of the Member / Officer Working Group that after

further deliberation the site at MacDonald Drive offered more unique advantages when compared to the Grassyards Road site which had only become apparent upon reflection of the results from the initial scoring exercise. It was the view of the Member / Officer Working Group to therefore not revisit the initial scores allocated but make a selection between the sites based on these further discussions.

6.5 The particular advantages of the MacDonald Drive site as compared to Grassyards Road identified during these discussions were therefore as follows:

- Proximity – whilst the topography of the site at Grassyards Road allowed the children’s residential house a level of seclusion from the neighbouring school, some concerns were raised that the location of the property on the school perimeter could present challenges in the future which it was felt may adversely affect the wellbeing of the residential house residents as compared to the MacDonald Drive site which is not immediately adjacent to the local schools.
- Access – proposals to locate the children’s residential house toward the north end of the Grassyards Road site would require access from Baird Road through to the cul-de-sac at Baird Place. Whilst it is feasible to use this access there were some concerns raised relating to possible traffic congestion which would have to be considered in more detail. As the MacDonald Drive site was on a through road there were no immediate concerns raised with regard to traffic circulation.
- Open area – it was the view of Social Services staff that it would be more desirable to locate the children’s residential house in an open residential area, not enclosed by a high concentration of neighbouring housing. It was considered that the MacDonald Drive site met these requirements more specifically than the Grassyards Road site on the basis that there was a lower density of housing in the immediate vicinity, and that the residential house would be located in an open area relatively more detached from the majority of neighbouring properties.

6.6 On this basis, it is proposed by the Member / Officer Working Group to recommend the MacDonald Drive site for the location of the new children’s residential house for Kilmarnock.

7. RESIDENTIAL CHILD CARE : BEST PRACTICE

7.1 Based on professional advice which has been informed by best practice, it is recommended that the replacement children’s residential house is six bedded as opposed to eight bedded. This also reflects the positive experience of providing a six bedded residential child care service at Sunnyside in Auchinleck.

It is also proposed to develop transitional living within the local area, which will enable the provision of the eight beds at the existing children’s house in Kilmaurs to be achieved. Options require to be explored in progressing options for this aspect of the plan.

8. CORPORATE PARENTING

8.1 Given the commitment of the Council to corporate parenting it is proposed that the Member/Officer Group continues and has responsibility for overseeing the Council’s approach to corporate parenting.

9. FINANCIAL IMPLICATIONS

There are no financial implications in relation to the appraisal exercise although the costs in relation to the replacement children's residential house will require to be met from the Council's existing ten-year capital programme allocation, and general fund revenue budgets.

Assessment of the capital costs indicate that the capital investment required is estimated at £1.570m, including construction costs, fees, equipment etc. It should be noted the total capital investment figure is notional and is for indicative purposes only. If the recommended site option is approved, allocations and profiles will only be finalised after completion of a full Business Case. The full Business Case will also include a finalised design and project plan to completion which will be brought forward for Member consideration and final budget approval at a later date.

It is assumed within the financial model that the current staff at the Kilmaurs Children's Residential House will transfer to the new unit with no additional staffing compliment required. It is further assumed that all other revenue budgets in relation to the Kilmaurs Children's Residential House will transfer to the new facility, therefore, reducing any further funding obligations to the Council.

During the development of the final design and costing, it will be necessary to ensure that all stakeholders with an interest in the outcome of the project are consulted. It is therefore proposed that this will be dealt with by the appropriate planning approval process.

The existing plans for replacing the children's residential house at Kilmaurs are for a replacement eight bedded house. In altering the plan to develop a six bedded house with two beds in a separate transitional living development, the capital and revenue costs will be similar.

10. PROJECT MANAGEMENT TEAM

Establishing an effective organisational structure for a project is crucial to its success. Every project has need for direction, management, control and communication. It is therefore recommended that the new Children's Residential House Project is managed on a basis consistent with the PRINCE2 approach.

The PRINCE2 project management structure is based on a customer / supplier environment. The structure assumes there will be a customer who will specify the desired outcome, make use of the outcome and pay for the project and a supplier who will provide resources and skills to create that outcome.

PRINCE2 separates the management of the project from the work required to develop products and concentrates on the former. Key to the management of the project is the Project Board which consists of three roles, the Executive, the Senior Supplier and the Senior User.

- Executive - is ultimately accountable for the project, supported by the Senior User and Senior Supplier. The Executive is responsible for the development of the Business Case, project organisational structures, monitoring and control, problem referral, project closure and post project review. It is recommended that this role be fulfilled by the Head of Children, Families and Criminal Justice.

- Senior Supplier - The Senior Supplier provides knowledge and experience of the main disciplines involved in the production of the project's deliverables. The Senior Supplier represents the supplier's interests within the project and aims to achieve the results required by the Senior User within the cost and time parameters for which the Executive is accountable. It is recommended that this role is fulfilled by the Asset Manager.
- Senior User - The Senior User is accountable for ensuring that user needs are specified correctly and that the solution meets those needs. The role represents the interests of all those who will use the final product. It is recommended that this role is fulfilled by the Children and Families Manager.

Outwith the Project Board lies the role of Project Manager, which provides the single focus for day to day management of the project. The appointment of the correct Project Manager is essential to the success of the project. It is recommended that this role is fulfilled by the Project Delivery Manager for Education and Social Services.

To effectively apply the principles of PRINCE2 to a project, it is important that the Project Management Team includes the role of Project Assurance & Support. The role of Project Assurance & Support will provide the Project Board members, and Project Manager with assurance that the project is being carried out correctly and in accordance with the principles of PRINCE2. It is recommended that this role is fulfilled by the FSM - Capital & Projects.

11. RECOMMENDATIONS

Cabinet is asked to:

- i) consider the results of the full option appraisal;
- ii) approve the establishment of a full business case to develop the recommended option to locate the new children's residential house for Kilmarnock on the MacDonald Drive site in more detail;
- iii) approve the change in plan to create a six bedded house with a separate transitional living development.
- iv) Approve the proposal for the Member/Officer Group to continue;
- v) approve the creation of a Project Management Team; and
- vi) otherwise note the contents of this report.

Graham Short
Executive Director of Educational and Social Services

Alex McPhee
Executive Head of Finance & Asset Management

26th February 2009

EAST AYRSHIRE COUNCIL

**MEMBER/OFFICER WORKING GROUP TO CONSIDER OPTIONS FOR THE NEW
REPLACEMENT CHILDREN'S HOME**

**MINUTES OF MEETING HELD ON MONDAY 17 NOVEMBER 2008 AT 1500 HOURS IN
THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

PRESENT: Councillors John MacKay and John McGhee and Provost Stephanie Young, Kay Gilmour, Acting Executive Head of Social Work; Alex McPhee, Executive Head of Finance and Asset Management; Stuart Bates, Children & Families Manager; and Stuart McCall, Legal and Procurement Services Manager.

ATTENDING: Julie McGarry, Administration Manager; Sam McVie, Estates Manager; and Stuart Nelson, Administrative Officer.

APOLOGY: Councillor Jim Todd.

CHAIR: Councillor John MacKay, Chair.

**REPLACEMENT CHILDREN'S HOME: REMIT OF MEMBER/OFFICER
WORKING GROUP**

1. There was submitted a report (circulated) by the Acting Executive Head of Social Work which sought approval for the remit of the Member/Officer Working Group in respect of a replacement Children's Home.

It was agreed that the remit of the Working Group be to report back to Cabinet no later than 17 December 2008, on the outcome of, and with recommendations relative to, the following, namely:-

- (i) consideration of site options for the new replacement Children's Home to be located in Kilmarnock; and
- (ii) consideration of market testing for the external provision of residential social care services.

**MARKET TESTING FOR EXTERNAL PROVISION OF RESIDENTIAL
SOCIAL CARE**

2. There was submitted a report (circulated) by the Executive Director of Corporate Support which apprised Members of the Member/Officer Working Group of progress on, and arrangements for, market testing for the external provision of residential social care services.

In this connection, the Working Group heard from the Acting Head of Social Work who drew attention to anxiety being expressed by staff within the existing Children's Home in Kilmaurs concerning the market testing, and confirmed that she had met with the staff concerned to address this issue.

It was agreed:-

- (i) to note the proposals regarding the market testing exercise, as set out in the report;
- (ii) to approve the intended participants and the proposed timescale for completion of the exercise; and
- (iii) that a further detailed report on the outcome of the market testing be submitted to the next meeting of the Working Group for consideration.

POTENTIAL SITES FOR THE REPLACEMENT CHILDREN'S HOME

3. There was submitted (tabled), for discussion purposes, location plans identifying 8 potential sites for the new Children's Home, viz Kennedy Drive, Kilmarnock; West Donington Street, Darvel; Archibald Craig Place, Kilmarnock; Ayr Road, Kilmarnock; Townholm, Kilmarnock; Montgomery Street, Kilmarnock; Caprington Avenue, Kilmarnock; and Riccarton West, Kilmarnock.

Following discussion, it was agreed:-

- (i) to note the potential sites suggested for the new Home; and
- (ii) to continue consideration of this matter to the next meeting of the Group, pending submission of a report by the Officers concerned providing a detailed analysis of all relevant issues to include social work requirements, planning criteria, title issues and ground conditions.

DATE OF NEXT MEETING*

4. It was agreed that the next meeting of the Working Group take place on Monday 1 December 2008 commencing at 1500 hours, subject to confirmation of Members' availability and progress relative to those matters referred to in Items 2 and 3, above.

The meeting terminated at 1532 hours.

***(Postscript: Following the meeting, and in consultation with the Chair of the Working Group, it was determined that having regard to the availability of Members and anticipated progress in respect of the market testing exercise and site identification, site visits would take place on the afternoon of Wednesday 26 November 2008 and the next meeting of the Working Group would take place on Tuesday 2 December 2008 commencing at 1530 hours.)**

EAST AYRSHIRE COUNCIL

**MEMBER/OFFICER WORKING GROUP TO CONSIDER OPTIONS FOR THE NEW
REPLACEMENT CHILDREN'S HOME**

**MINUTES OF MEETING HELD ON TUESDAY 2 DECEMBER 2008 AT 1535 HOURS IN
MEETING ROOM 1, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

PRESENT: Councillors John MacKay, Jim Todd, Provost Stephanie Young and Councillor John McGhee; Kay Gilmour, Acting Head of Social Work; Stuart Bates, Children and Families Manager; and Stuart McCall, Legal and Procurement Services Manager.

ATTENDING: Sam McVie, Estates Manager; and Lynn Young, Administrative Officer.

CHAIR: Councillor John MacKay, Chair.

MINUTES OF PREVIOUS MEETING

1. There were submitted and approved as a correct record, Minutes of the meeting held on 17 November 2008 (circulated).

OPTION APPRAISAL - REPLACEMENT CHILDREN'S HOME

2. There was submitted a joint report dated 28 November 2008 (circulated) by the Executive Director of Educational and Social Services and the Executive Head of Finance and Asset Management which advised of the initial appraisal of site options for a replacement children's home for the Kilmarnock area, and which recommended a short list of sites for further consideration and more detailed appraisal.

Having considered the 16 site options as detailed in Paragraph 4.1.1 of the report and the fundamental assessment criteria as detailed in Paragraph 5.1 of the report, it was agreed:-

- (i) that options 10, 11 and 12 meet the fundamental assessment criteria as detailed in Paragraph 5.1 of the report and as such, further short-listed options 10, 11 and 12 against the strategically focused objectives as detailed in Paragraph 6.4 of the report;
- (ii) that options 1-9 and 13-16 did not meet the fundamental assessment criteria as detailed in Paragraph 5.1 of the report, in particular, the geographical location of sites 4, 9, 8 and 15; and the ground conditions of sites 8 and 9; and
- (iii) to update Cabinet on the progress of the outcome of the assessment of the sites against the fundamental assessment criteria.

Provost Young left the meeting during consideration of, but prior to determination, of the above report.

MARKETING TESTING EXERCISE - CHILDREN'S CARE HOME

3. There was submitted a report by the Legal and Procurement Services Manager on the outcome of the market testing exercise which was remitted to the Executive Director of Corporate Support for the external provision of residential social care for children and young people.

The Legal and Procurement Services Manager advised that in connection with the costs of £11.2m as detailed in Paragraph 4.6 of the report, this figure did not cover debt charges,

and it was agreed that the Legal and Procurement Services Manager clarify this issue with the Finance Department.

It was agreed:-

- (i) to recommend to Cabinet that based on the outcomes of the market testing exercise, that the Council should not externalise the provision of the new children's home; and
- (ii) otherwise, to note the contents of the report.

DATE OF NEXT MEETING

4. In light of the short-leeted sites being assessed against the strategically focused objectives, it was agreed that a further meeting of the Member/Officer Working Group be arranged early in 2009, details to be confirmed.

The meeting terminated at 1615 hours.

EAST AYRSHIRE COUNCIL

MEMBER/OFFICER WORKING GROUP TO CONSIDER OPTIONS FOR THE NEW
REPLACEMENT CHILDREN'S HOMEMINUTES OF MEETING HELD ON WEDNESDAY 28 JANUARY 2009 AT 1430 HOURS
IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK

PRESENT: Councillors John MacKay, Jim Todd, Provost Stephanie Young and Councillor John McGhee; Kay Gilmour, Head of Service: Community Support; Susan Taylor, Head of Service: Children and Families and Criminal Justice; Stuart Bates, Children and Families Manager; Alistair Kidd, Financial Services Manager; and Sam McVie, Estates Manager.

ATTENDING: Lynn Young, Administrative Officer.

CHAIR: Councillor John MacKay, Chair.

MINUTES OF PREVIOUS MEETING

1. There were submitted and approved as a correct record, Minutes of the meeting held on 2 December 2008 (circulated).

OPTION APPRAISAL - REPLACEMENT CHILDREN'S CARE HOME

2. There was submitted a joint report dated 21 January 2009 (circulated) by the Executive Director of Educational and Social Services and Executive Head of Finance and Asset Management which outlined the proposed methodology for undertaking the full appraisal of the financial and non financial criteria in relation to the short-listed site options for a replacement children's care home for the Kilmarnock area; and an information schedule for the replacement children's care home (circulated at the meeting) by the Financial Services Manager, which provided information on the short-listed sites.

The Estates Manager provided an overview of each of the three options, and advised that in connection with Option 3 - St Matthew's Primary School, that the location of the replacement children's home would be at the corner of MacPhail Drive and MacDonald Drive as opposed to the corner of MacAndrew Place and MacDonald Drive as detailed on the location map provided in the information schedule.

It was agreed:-

- (i) to approve the methodology for completing the option appraisal exercise as detailed in Section 2.2 of the report;
- (ii) to approve the scoring of the financial and asset management assessments as detailed in Appendix 2 and 3 of the report;
- (iii) that the following scores, reached by consensus, be recorded for each of the 3 options against the five strategic objectives, as detailed in Paragraph 3.1.2 of the report:

Objective 1

Objective 1 - Site allows for the creation of quality accommodation solutions that provide a secure and safe environment for resident children and young people, to the highest standards of care to meet regulation and guidance standards as per the Regulation of Care (Scotland) Act 2001.

- Option 1 - Grange Academy - 10;
- Option 2 - St Joseph's Academy - 15;
- Option 3 - St Matthew's Primary School - 15;

Objective 2

Objective 2 - Site option is community centred with access to quality services, including education, health, leisure and recreation.

- Option 1 - Grange Academy - 10;
- Option 2 - St Joseph's Academy - 15;
- Option 3 - St Matthew's Primary School - 10;

Objective 3

Objective 3 - Site is accessible for local transport links to ensure participation of families in young people's care plans and continued links with friends and family.

- Option 1 - Grange Academy - 15;
- Option 2 - St Joseph's Academy - 15;
- Option 3 - St Matthew's Primary School - 15;

Objective 4

Objective 4 - Site is located within areas with a balanced social-economic profile.

- Option 1 - Grange Academy - 10;
- Option 2 - St Joseph's Academy - 15;
- Option 3 - St Matthew's Primary School - 15;

Objective 5

Objective 5 - Site allows for development of flexible accommodation solutions that maximises opportunities to develop integration with community living and transition to independent living.

- Option 1 - Grange Academy - 5;
- Option 2 - St Joseph's Academy - 10;
- Option 3 - St Matthew's Primary School - 15;

- (iv) in connection with the issues raised with regards to the history of anti-social problems within the Courts located within the vicinity of Option 2, St Joseph's Academy, that it be remitted to the Head of Service: Community Support and the Head of Service: Children and Families and Criminal Justice, to obtain information from Strathclyde Police and colleagues within the Community Learning and Development Section of East Ayrshire Council, for information relating to any anti-social problems located within the Courts; and
- (v) otherwise, to note the contents of the report.

Provost Young left the meeting prior to consensus being reached on objective 3, 4 and 5.

The meeting terminated at 1550 hours.

EAST AYRSHIRE COUNCIL

**MEMBER/OFFICER WORKING GROUP TO CONSIDER OPTIONS FOR THE NEW
REPLACEMENT CHILDREN'S HOME****MINUTES OF MEETING HELD ON WEDNESDAY 4 FEBRUARY 2009 AT 1430 HOURS
IN MEETING ROOM 2, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

PRESENT: Councillors John MacKay, Jim Todd, Provost Stephanie Young and Councillor John McGhee; Susan Taylor, Head of Service: Children & Families & Criminal Justice; Sam McVie, Estates Manager; Alistair Kidd, Financial Services Manager; and Stuart Bates, Children & Families Manager.

ATTENDING: Lynn Young, Administrative Officer.

CHAIR: Councillor John MacKay, Chair.

MINUTES OF PREVIOUS MEETING

1. There were submitted and approved as a correct record, Minutes of the meeting held on 28 January 2009 (circulated at the meeting).

OPTION APPRAISAL - REPLACEMENT CHILDREN'S RESIDENTIAL HOUSE

2. There was submitted a joint report dated 29 January 2009 (circulated at the meeting) by the Executive Director of Educational and Social Services and the Executive Head of Finance and Asset Management which provided information to enable the Member/Officer Working Group to assess the financial and non financial criteria in relation to the short-listed site options for a replacement children's residential house for the Kilmarnock area, and to allow the Member/Officer Working Group to recommend a site option based on this appraisal.

The Financial Services Manager advised that Section 6 of the report provided information to the overall scores for the three options, and advised that Options 2, St Joseph's Academy and Option 3, St Matthew's Primary School had scored identically, with Option 1, Grange Academy, scoring lower, and as such recommended that Option 1, Grange Academy, be excluded from the option appraisal exercise.

The Head of Service: Children & Families & Criminal Justice and the Children and Families Manager, then provided the Members of the Working Group with information based on the knowledge of professionals working in the area. It was noted that no significant information had been obtained in respect of anti-social behaviour which would impact on the development of the Children's Residential House in the vicinity of Option 2, St Joseph's Academy.

Discussion then arose regarding traffic concerns at Option 2, St Joseph's Academy, and in connection with any future development of the children's residential house for a transitional living facility.

The Estates Manager advised that in terms of a transitional living facility, Option 3, St Matthew's Primary School would be a more flexible site as the building of the new children's residential house on Option 2, St Joseph's Academy, could restrict any future development of the site. He further advised that the addition of a transitional living facility at Option 2, St Joseph's Academy, could lead to possible traffic congestion.

Concern also arose in connection with screening of the new children's residential house and the Estates Manager advised that Option 2, St Joseph's Academy, had a high density of housing and as such could result in problems with parking and local residents would be

looking directly onto any new building. He further advised that Option 3, St Matthew's Primary School had a lower density of housing and as such would result in any building not being as imposing to the local residents.

Following discussion, it was agreed:-

- (i) to exclude Option 1, Grange Academy, from the option appraisal exercise; and
- (ii) that in light of the high density of housing at Option 2, St Joseph's Academy; the potential of traffic congestion and access issues if the children's residential house is located on Option 2, St Joseph's Academy; the limited opportunities for future development of a transitional living facility at Option 2, St Joseph's Academy; and the proximity of the location of the children's residential house to St Joseph's Academy at Option 2, that it be agreed to recommend to Cabinet that Option 3, St Matthew's Primary School, be recommended as the site for the new replacement children's residential house.

The meeting terminated at 1455 hours.

APPENDIX 5

POTENTIAL SITES

The following potential sites, that are in Council ownership, were identified for consideration as part of this initial appraisal exercise:

- **Option 1** – Existing Bellsford House site, Kilmarnock
- **Option 2** – Existing Children’s Home site, Kilmaurs
- **Option 3** – Land at Kennedy Drive, Kilmaurs
- **Option 4** – Land at Archibald Craig Place, Longpark, Kilmarnock
- **Option 5** – Land at Ayr Road, Kilmarnock
- **Option 6** – Land at Town Holm, Kilmarnock
- **Option 7** – Land at Montgomery Street, Kilmarnock
- **Option 8** – Land at Caprington Avenue, Kilmarnock
- **Option 9** – Land at Riccarton West, Kilmarnock
- **Option 10** – Land at former Grange Academy, Kilmarnock
- **Option 11** – Land at former St Joseph Academy, Kilmarnock
- **Option 12** – Land at former St Matthews Primary School, Kilmarnock
- **Option 13** – Land at former Hillbank Nursery School, Kilmarnock
- **Option 14** – Land at former Longpark Community Centre, Kilmarnock
- **Option 15** – Land at Kilmaurs Road, Kilmarnock
- **Option 16** – Land at Lochore Terrace, Darvel

LOCATION PLAN

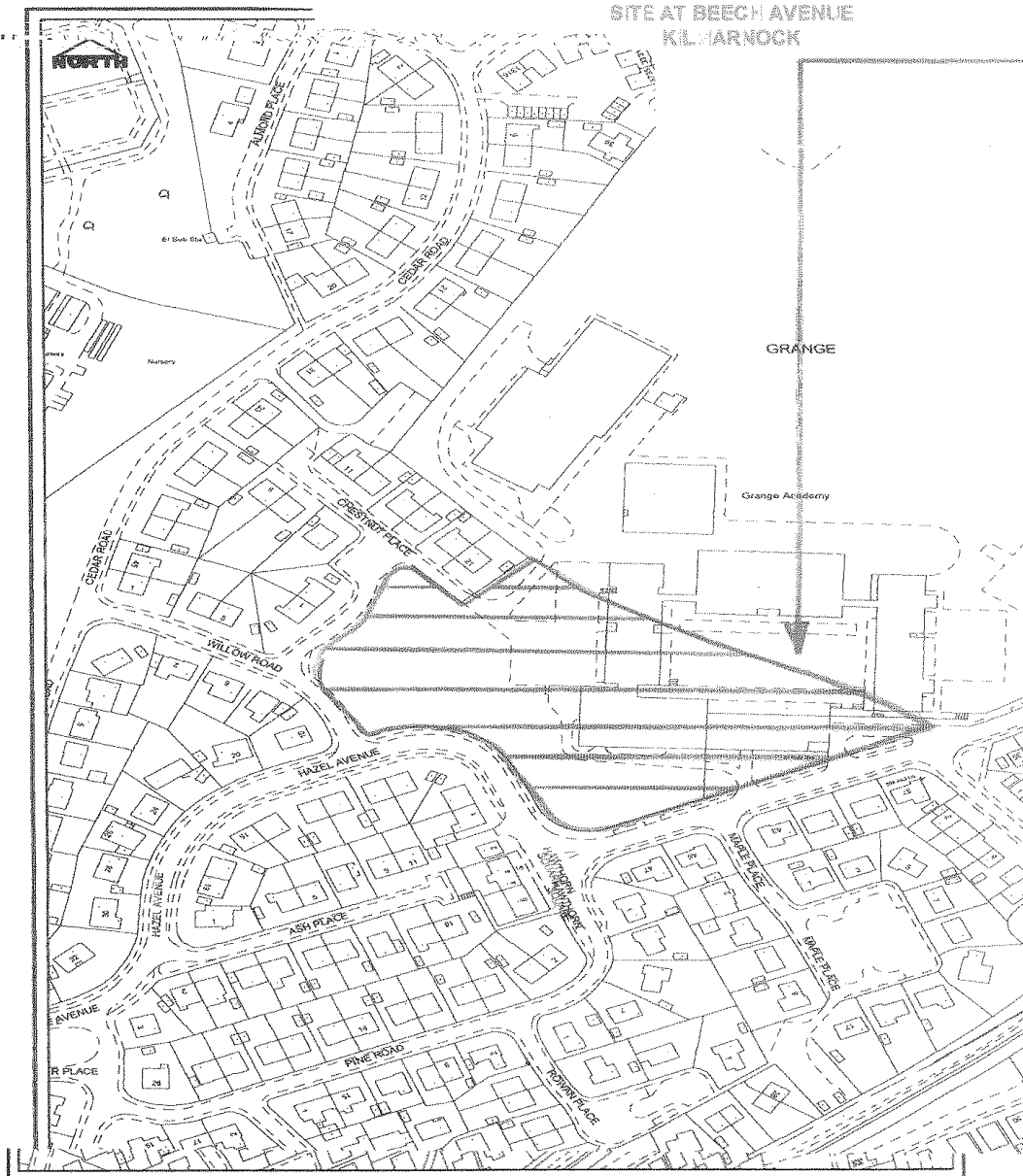


East Ayrshire

Title: _____

PROPOSED REPLACEMENT CHILDREN'S RESIDENTIAL HOUSE

DATE: 24/02/2009



EAST AYRSHIRE COUNCIL - FINANCE AND ASSET MANAGEMENT

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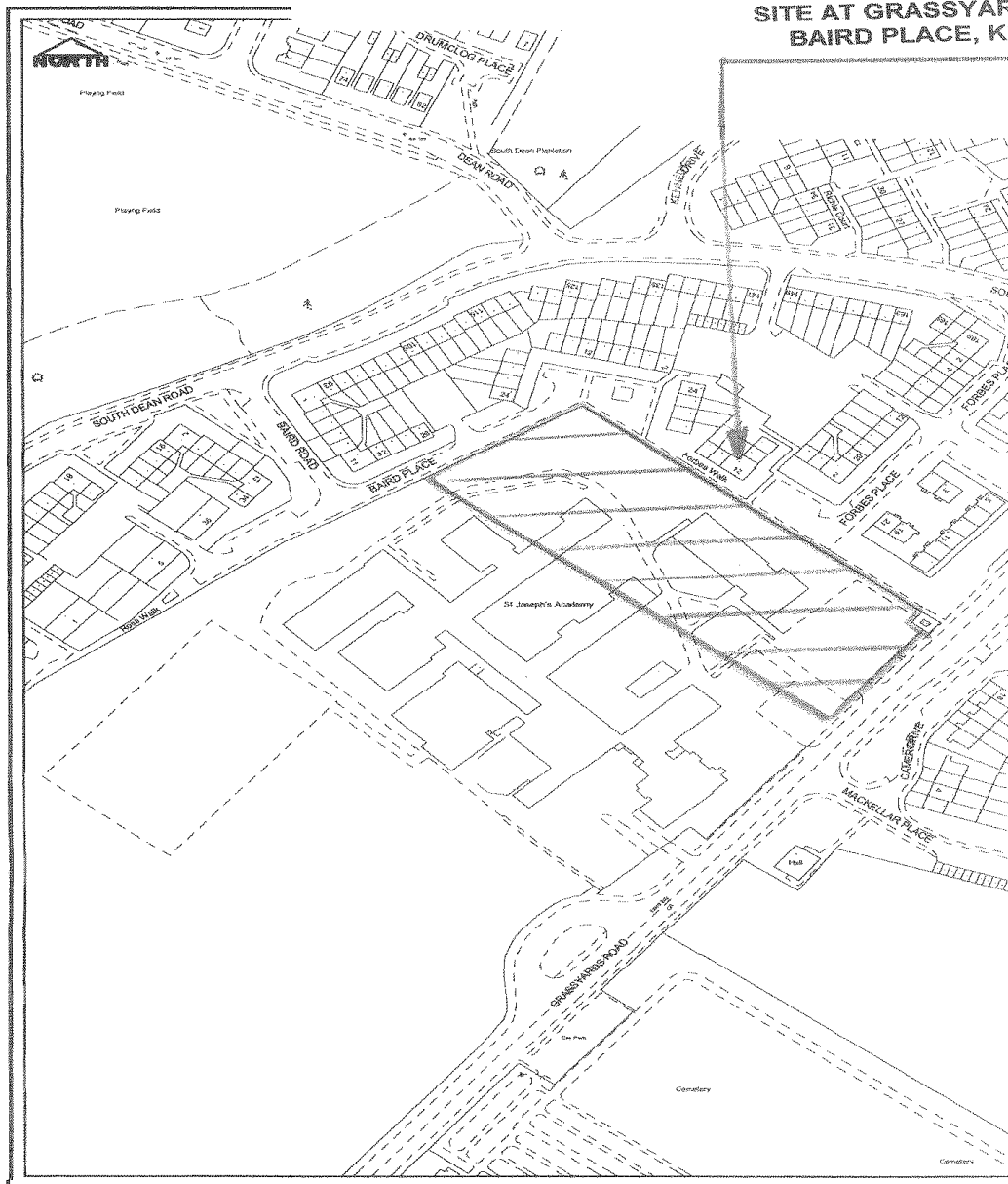
LOCATION PLAN



Title: _____

PROPOSED REPLACEMENT CHILDREN'S RESIDENTIAL HOUSE

DATE: 24/02/2009



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STRATEGIC ASSESSMENT

	Strategic Assessment					
Locations	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Unadjusted Total Score
Option 1 - Land at Beech Avenue	10	10	15	10	5	50
Option 2 - Land at Grassyards Road	15	15	15	15	10	70
Option 3 - Land at MacDonald Drive	15	10	15	15	15	70
Max Score	20	20	20	20	20	100
Strategic Objectives						
Objective 1 - Site allows for the creation of quality accommodation solutions that provide a secure and safe environment for resident children and young people, to the highest standards of care to meet regulation and guidance standards as per the Regulation of Care (Scotland) Act 2001.						
Objective 2 - Site option is community centred with access to quality services, including education, health, leisure and recreation						
Objective 3 - Site is accessible for local transport links to ensure participation of families in young people's care plans and continued links with friends and						
Objective 4 - Site is located within an area with a balanced social-economic profile						
Objective 5 - Site allows for development of flexible accommodation solutions that maximises opportunities to develop integration with community living, and transition to independent living.						
Notes						
Option 1 - Land at Beech Avenue	<p>1) Objective 1 - due to the topography of the site the care home would have to be located in an area that was in close proximity to the school which was felt to potentially put the residential house residents at a disadvantage 2) Objective 2 - site was fairly well located for local amenities including education, health and leisure facilities, and proximity to town centre. 3) Objective 3 - site was well serviced for local transport links and was an acceptable walking distance from the bus and railway stations. 4) Objective 4 - concerns were raised that the site is located in an area which had a less balanced social-economic profile. 5) Objective 5 - issues with site constraints and proximity to the school (as referred to in Objective 1) would prove problematic if consideration was to be given to a transitional living facility at some time in the future.</p>					
Option 2 - Land at Grassyards Road	<p>1) Objective 1 - although site was on the boundary of school it was felt that the topography allowed the development to be remote enough that it would not put the residential house residents at a disadvantage; this would also integrate well with any future development of the site. 2) Objective 2 - site was very well located for local amenities (in particular the Dean Castle and Kay park areas) with access to a number of education, health and leisure facilities; site also in relative close proximity to town centre. 3) Objective 3 - site was well serviced for local transport links and was an acceptable walking distance from the bus and railway stations. 4) Objective 4 - site is within an area of balanced-social economic profile which was felt to provide care home residents with a positive social / environmental background. 5) Objective 5 – site constraints and future development potential of remainder of site may present some potential problems with development of a transitional living facility at some time in the future.</p>					
Option 3 - Land at MacDonald Drive	<p>1) Objective 1 – site topography allowed for the development to be situated in an area which although initially slightly exposed would integrate well with any future development of the remaining site. 2) Objective 2 - site was fairly well located for local amenities including education, health and leisure and proximity to town centre. 3) Objective 3 - site was well serviced for local transport links and was an acceptable walking distance from the bus and railway stations. 4) Objective 4 - site is within an area of balanced-social economic profile which was felt to provide residential house residents with a positive social environmental background. 5) Objective 5 – site well sized for any development of a transitional living facility at some time in the future.</p>					

ASSET MANAGEMENT

	Property	Site Influences					Traffic Impact			Business / Property Efficiency				
Locations	Site Availability	Ground Condition	Access	Planning Issues	Strategic Environmental	Size / Layout	Car	Bus / Heavy Goods	Pedestrian	Suitability	Sustainability	Efficiency	Partnership	Unadjusted Total Score
Option 1 - Land at Beech Avenue	5	8	8	4	8	5	4	4	5	10	10	10	2	83.0
Option 2 - Land at Grassyards Road	5	8	8	4	8	5	4	4	5	10	10	10	2	83.0
Option 3 - Land at MacDonald Drive	5	8	8	4	8	5	4	4	5	10	10	10	2	83.0
Max Score	5	10	10	5	10	5	5	5	5	10	10	10	10	
Max Section Score	5	40					15			40				100
Key														
The matrix table reflects the initial analysis and investigations of the different options. The viability of each option is reflected in its relative score (the higher the score the more viable the option).														
Notes														
Option 1 - Land at Beech Avenue	<p>1) Site Availability - site already in Council ownership, no issues other than the area of the site which could be marketed for sale will be reduced if site selected 2) Site Influences - no known ground condition issues, although more detailed site investigation would have to be undertaken if site selected; construction traffic access not a significant issue (based on PPP build) but consideration has been given to residential locale; no known issues with Local Plan although more detailed discussions would have to be undertaken with planners if site selected; no known strategic environmental issues but more detailed discussions with relevant internal and external bodies would have to be undertaken if site selected; site is sufficiently sized for development proposed 3) Traffic Impact - vehicular and heavy good access to site is good, increase in traffic volume unlikely to be an issue, although full traffic impact assessment would have to be undertaken if site selected; pedestrian access to site is also good 4) Business Efficiency - new facility will provide flexible, "fit for purpose" accommodation that will provide suitable and sustainable facilities; by nature of the facilities there is little scope for partnerships with either internal or external partners.</p>													
Option 2 - Land at Grassyards Road	<p>1) Site Availability - site already in Council ownership, no issues other than the area of the site which could be marketed for sale will be reduced if site selected 2) Site Influences - no known ground condition issues, although more detailed site investigation would have to be undertaken if site selected; construction traffic access not a significant issue (based on PPP build) but consideration has been given to residential locale; no known issues with Local Plan although more detailed discussions would have to be undertaken with planners if site selected; no known strategic environmental issues but more detailed discussions with relevant internal and external bodies would have to be undertaken if site selected; site is sufficiently sized for development proposed 3) Traffic Impact - vehicular and heavy good access to site is good, increase in traffic volume unlikely to be an issue, although full traffic impact assessment would have to be undertaken if site selected; pedestrian access to site is also good 4) Business Efficiency - new facility will provide flexible, "fit for purpose" accommodation that will provide suitable and sustainable facilities; by nature of the facilities there is little scope for partnerships with either internal or external partners.</p>													
Option 3 - Land at MacDonald Drive	<p>1) Site Availability - site already in Council ownership, no issues other than the area of the site which could be marketed for sale will be reduced if site selected 2) Site Influences - no known ground condition issues, although more detailed site investigation would have to be undertaken if site selected; construction traffic access unlikely to present a significant issue but consideration has been given to residential locale; no known issues with Local Plan although more detailed discussions would have to be undertaken with planners if site selected; no known strategic environmental issues but more detailed discussions with relevant internal and external bodies would have to be undertaken if site selected; site is sufficiently sized for development proposed 3) Traffic Impact - vehicular and heavy good access to site is good, increase in traffic volume unlikely to be an issue, although full traffic impact assessment would have to be undertaken if site selected; pedestrian access to site is also good 4) Business Efficiency - new facility will provide flexible, "fit for purpose" accommodation that will provide suitable and sustainable facilities; by nature of the facilities there is little scope for partnerships with either internal or external partners.</p>													

FINANCIAL ASSESSMENT

Options	NPV	
	Option NPV	Score
Option 1 - Land at Beech Avenue	£15,049,160	98.90
Option 2 - Land at Grassyards Road	£14,882,976	100.00
Option 3 - Land at MacDonald Drive	£14,882,976	100.00
Score out of		100.00

Assumptions

Opportunity Cost of Land Value Foregone - financial assessment requires that the opportunity cost for each site be identified and factored into each appraisal. The opportunity cost represents the potential capital receipt which could possibly have been obtained if the land had been sold on the open market and not utilised by the Council. The valuations are based on an assumed development site of 3,500 sq m (0.86 acres) or thereby. Valuations are as follows:

- Land at Beech Avenue - Site valued at £430,000 (based on a rate of £500,000 per acre). It is assumed that all demolition / site clearance costs are met from the PPP budget.

- Land at Grassyards Road - Site valued at £258,000 (based on a rate of £300,000 per acre). It is assumed that all demolition / site clearance costs are met from the PPP budget.

- Land at MacDonald Drive - Site valued at £258,000 (Based on a rate of £300,000 per acre). It is assumed that the costs to clear the site do not constitute an opportunity costs as this cost would be incurred irrespective of the decision to utilise this site or not.

Capital Investment Estimates - the cost estimates for the 8 bedded children's residential house are based on the costs of the recently completed Sunnyside Children's Residential House but will require to be reviewed in more detail once a site is selected and preliminary design information is available. Currently estimated at £1.570m (including an allowance for furniture and fit-out).

Whole Life Revenue Costs - the whole life revenue costs over a 20 year period for the proposed replacement children's residential house are based on the running costs for the Sunnyside Children's Residential House model. It is assumed that the current staff at the Kilmaurs Children's Residential House will transfer to the new unit with no additional staffing compliment required. It is assumed that the budgets from the Kilmaurs Children's Residential House will transfer to the new facility when open, therefore, reducing the overall additional funding obligation of the facility to the Council.

CONSOLIDATED SCORES

OPTION APPRAISAL – TOTAL SCORES					
		Weighting	Option 1	Option 2	Option 3
Financial Assessment (Out of 100)					
1	NPV of each Option		£15,049,160	£14,882,976	£14,882,976
2	NPV transposed into points	50%	98.90	100.00	100.00
	Total Adjusted Weighted Score - Financial		49.45	50.00	50.00
Strategic Assessment (Out of 100)					
3	Strategic Objectives	40%	50.00	70.00	70.00
	Total Adjusted Weighted Score - Strategic		20.00	28.00	28.00
Asset Management (Out of 100)					
4	Asset Management	10%	83.00	83.00	83.00
	Total Adjusted Weighted Score - Asset Management		8.30	8.30	8.30
	Total Weighted Points Scored :-	100%	77.75	86.30	86.30
		Result:-	3	1	1
Option 1 - Land at Beech Avenue					
Option 2 - Land at Grassyards Road					
Option 3 - Land at MacDonald Drive					