

Report title: Developing Residential Children's Homes for Torbay

Report to: Cabinet

Date: 15 September 2026

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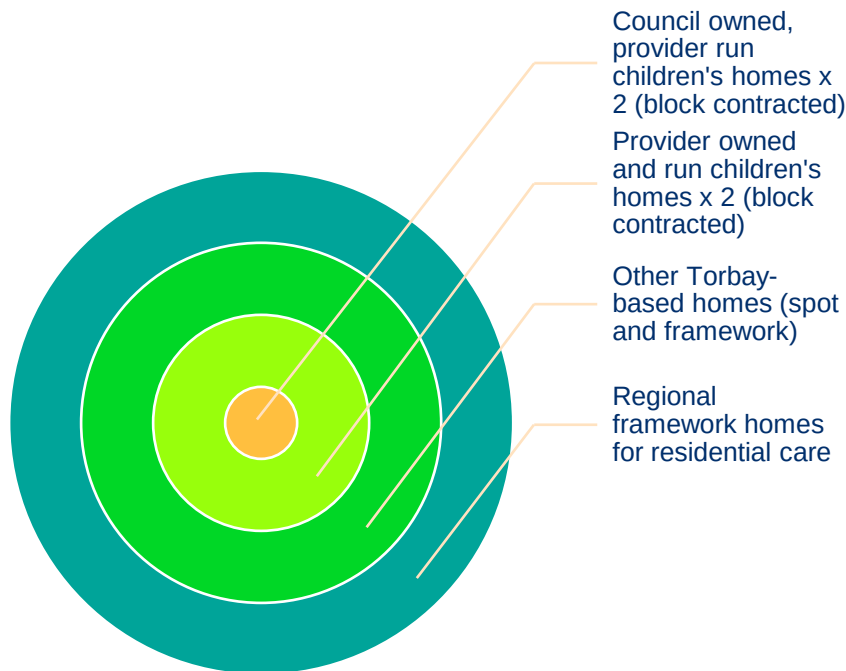
Wards affected: All

1. Summary of Report:

- 1.1 Torbay Council is highly aspirational for our children and young people in care. We are passionate about looking after them well and giving them a broad range of opportunities to support them throughout their childhoods, to set the foundation for their lives as adults. We want to make sure that being in care is not a disadvantage, and that they have the same opportunities as their peers.
- 1.2 Fundamental to this is having a choice of suitable homes for our children and young people, across fostering, 16+ and residential care, offering high-quality places where they can be nurtured by carers and staff. Equally fundamental is for our children and young people to be able to remain living in or near to Torbay as much as possible, to retain links with families and friends as appropriate, be educated in local schools and colleges and receive therapeutic support from local teams. Currently too many of our children and young people are placed out of area or at distance from Torbay and we want to do more to avoid this.
- 1.3 Where possible we want our children and young people to grow up in a family home, but we are ambitious for the use of residential care for our most complex children and young people. For those that need it we want to make sure we have local residential homes, and work in close partnership with Ofsted registered providers to design new homes and wrap around our children together. Our residential homes need to look and feel as close to family homes as possible, to avoid institutional models of care and help children to remain living in

communities. Our practitioners stand ready to work with residential children's home partners, to enable us to keep our children in Torbay, and seek to return those who have been placed out of area but are ready to come home to be cared for locally.

- 1.4 Torbay has opportunities to work with our external partners to create new children's homes. We have been selected by the Department for Education for capital funding to invest in local homes for our children. This is an exciting opportunity to create something different for our children and young people, building in practical terms on our aspiration for high-quality local care. With a track record of being graded Good for Children's Social Care by Ofsted and with committed practitioners and local partners, we believe we can offer a positive approach to working with residential children's home providers to design new homes for our children.
- 1.5 We want to work with partners around the commissioning of two new approaches to residential care in Torbay:
 - Council-owned building(s), run by Ofsted registered residential care providers – 2 homes purchased from Department for Education and Council capital funding to provide 2 placements in each home (4 beds in total);
 - Provider owned and run children's homes – 2 homes, providing 2 placements in each home (4 beds in total)
- 1.6 We are seeking to work with providers who are passionate about getting it right for our children and young people, caring for them with compassion, supporting them through difficult times and helping them to develop the skills they will need for fulfilling their life chances.
- 1.7 This approach is in the context of seeking to strengthen our overall approach to the availability of high-quality residential care. The diagram below shows the two proposed local services at the heart of our future provision and as our first choice, with us also using existing local homes and other placements as needed.



2. Recommendations and Proposed Decision:

2.1 That the Cabinet agree to proceed with a procurement to select Ofsted registered and suitably experienced children's home providers:

- Lot 1 – a provider to work with us to deliver two 2-bedded children's homes. The buildings would be purchased by the Council and leased to the provider, who would register and operate the home. The provider would partner with us to select the most suitable properties and design the service to meet our needs.
- Lot 2 – A provider or provider(s) to deliver two 2-bedded children's homes, with the buildings sourced and the home operated by the provider.

For both Lots we will seek to involve children and young people in the procurement process and design of the homes following the procurement, to make sure we consider their views.

2.2 Both Lots would be block contracted for a period of 3+2 years to enable homes to be secured for Torbay children and to give the commissioned providers the opportunity to create high quality, stable local services, working in partnership with our social workers and support services.

3. Reasons for Recommendations/Proposed Decision:

- 3.1 This approach is recommended as it gives us two different models to encourage providers to come and work with us in Torbay; for those who would prefer not to have to invest in a building but can provide high-quality care, and an alternative for those who would prefer to provide both the building and care. Having local homes which are secured for Torbay children will enable us to keep our children closer, reduce the associated costs and impact of social workers and families having to travel to visit, and support improved planning for transitions to adulthood.
- 3.2 A block contract provides security to our commissioned providers to be able to recruit the right staff to support our children and invest in Torbay over a period of several years. The length of the contract enables us to work in partnership over a period of time, ensuring that the adults and services which wrap around our children are innovative and flexible, adapting to each child's needs as an individual.
- 3.3 Block contracts also usually give the commissioned provider financial security through not having to fund fixed and variable costs during periods where beds aren't being used, meaning that the weekly costs of placements are more reasonable than open market rates. We would work closely with the providers to make sure that we are planning into placements in a timely way and anticipating children moving on well in advance.
- 3.4 An initial, pre-procurement Expression of Interest has been carried out, to understand if children's home providers would be interested in bidding for Lots 1 and 2 – seven providers expressed an interest in one or more of the Lots. We are therefore confident that there is a market for this procurement opportunity.

4. Background and Context:

- 4.1 The Torbay Corporate Parenting Strategy and Sufficiency Strategy set out the Council's approach to ensuring that there is a sufficient range of safe, stable and high-quality living arrangements and support, so that children and young people can grow and thrive in homes that meet their individual needs and promote permanence, belonging and positive life chances. To do this we need to work in partnership with high-quality providers to shape a mixed local market that can meet diverse and complex needs, increasing the availability of placements close to home.
- 4.2 Torbay Council does not currently have any in-house residential provision and, as a result, we purchase all our residential placements from third parties. In the financial year 2025/26, the spend for residential placements, excluding secure and parent and child placements, was £9.28m with the spend for placements in the 'unregistered' sector £5.05m. We are currently paying above market average weekly fees on residential placements, due to a

lack of available beds. Of these residential placements 95% were outside of Torbay (33% in Devon including Plymouth), none in the wider Southwest, 52% in the rest of England and 10% in Wales).

- 4.3 In 2025/26 30 individual young people had periods within 'unregistered' provision, the number of occurrences was 58, i.e. some young people either had more than one 'unregistered' stay or more likely moved address whilst retaining their support staff. These arrangements are more likely to be closer to Torbay, but we want to urgently cease using these types of provisions for our children.
- 4.4 At the end of March 2026 there were 21 children and young people with varying needs in the care of Torbay who were placed in residential care. In addition, there were 9 young people placed in 'unregistered' children's homes as a result of lack of capacity for suitable homes within the market, either locally to Torbay or further away.
- 4.5 The individual needs of our children and young people vary widely as does their ability to live close to Torbay. We know that some of our children need to be placed away from Torbay for their safety, for example as a result of exploitation. Of the 21 children and young people currently in residential care only 1 placement is in Torbay. We want to be able to ensure that residential care is only used for those children who need it, and also to make sure that all our children in care have the opportunity to live with a family if possible. We recognise that for some of our children with the most complex needs and trauma, this is not always possible.
- 4.6 There are currently three children's homes providers operating in Torbay, offering a total of 10 beds. These are in small homes, a model which tends to meet the needs of children needing residential care. While every attempt continues to be made to access these beds for our children, they are currently being used by other local authorities.
- 4.7 We know that placing children out of area can break their connection with their hometown. It makes visiting harder for family and friends and means that social workers are less able to 'drop in' and see the child. Monitoring the quality of care is harder when the placement is further away, as we become much more reliant on what the provider is telling us rather than always seeing it for ourselves. Planning for transition to adulthood is harder, with young people often having to contemplate a significant move and conversations and visits needing more planning.
- 4.8 It is anticipated that the revenue spend required to run the two homes under Lot 1 would be in the region of £6.345m over 5 years, based on achieving market prices in line with national averages. This would represent cost avoidance of approximately £3.639m over a 5-year period. It is anticipated that the spend on the two homes in Lot 2 would be in the region of £3.90m per home (£7.8m), again leading to cost avoidance by holding to average market rates. The difference between the anticipated costs relates to the need for the care provider to provide a building for the Lot 2 homes. It is anticipated that we will spend less on our contracted residential beds, due to the benefits of a block contract and also save on

travel time and costs for families and professionals, being able to keep children at school in Torbay and accessing local commissioned health services.

- 4.9 The tables below show the sufficiency and financial challenges the Council has faced over the past 3 years.

Residential Placements	2023/24	2024/25	2025/26
Total number of placements made (some young people had more than one placement during the year)	37	24	35
Number of placements ended (some young people had more than one placement during the year)	19	9	14
Number of young people in placement at end of financial year	18	15	21
Placement cost £m	£7.13m	£7.13m	£9.28m

Unregistered' Placements	2023/24	2024/25	2025/26
Total number of placements made (please note that some young people had more than one placement or address during the year)	30	22	58
Number of young people	20	12	30
Number of young people in placement at any one time	Approx 6	Approx 6	Approx 9
Placement cost £m	£2.56m	£3.20m	£5.05m
Total Placements cost	£9.69m	£10.32m	£14.33m

- 4.10 In addition to the actions proposed above, we will continue to work as part of the Southwest Regional Commissioning Co-operative to jointly explore options for the commissioning of residential placements. This will support being able to access homes for children who cannot be placed in Torbay. We will also continue to monitor the development of other framework opportunities nationally which drive forward the growth of sustainable and affordable residential care.

5. Alternative Options Considered:

- 5.1 The following alternative options were considered.

Option 1: Doing nothing.

This would perpetuate our challenges in being able to access local beds for our children and young people. It would mean that that we are reactive to the provider market instead of exercising our duty to be proactive in shaping the market to meet the needs of our children.

Option 2: Develop our own Children's Homes.

This would enable us to have complete control over the development and operation of the homes. We recognise that since the closure of Broadhaven Children's Home several years ago the Council has no organisational memory or skills to successfully run an internal provision such as these. We recognise that our external children's home providers offer expertise in this area, including in the registration and operation of homes.

6. Contribution to Council Priorities:

- 6.1 The Children and Young People's Corporate Parenting Plan sets out Torbay Council's objectives and priorities for all services that directly affect children and young people across the communities which make up Torbay. Its overriding objective and common purpose are **to ensure that all of our cared for and care experienced children and young people are safe, happy and healthy in order that they can reach their full potential.**
- 6.2 The development and delivery of local children's homes designed to meet the needs of Torbay's children who require residential care meets the key priorities identified in the Strategy ensuring that the Council continues to;
- act in their best interests and promote their physical and mental health and wellbeing;
 - actively encourage our children and young people to express their views, wishes and feelings;
 - demonstrably seek to fully understand and take account of their views, wishes and feelings by working in accordance with the Council's restorative principles;
 - in collaboration with the children and young people, help them gain access to, and make the best use of, services provided by us and our partners to meet their need;
 - promote high aspirations and seek to secure the best outcomes for them;
 - ensure that they are safe and have stability in their home lives, relationships, education and work;
 - prepare them for a successful transition to young adulthood and secure independent living.

7. Consultation and Engagement:

- 7.1 Young people will be involved as experts by experience as part of the procurement process and subsequent mobilisation of local homes with providers. We will also draw on the known views of our care experienced children and young people as part of the consultation which was undertaken for the development of the Corporate Parenting Strategy:

*"Unless our homes are good enough for you to live in, they are not good enough for us"-
Care experienced young person.*

“What has happened to us makes education, training and work hard for us. Be patient and help others to be patient with us too” Cared for young person.

“Don’t dump us into independence and expect us to survive. We need lots of help even if we say we don’t. Be there for us” Cared for young person.

“All we ask for is somewhere decent to live so we can move on in life” Care experienced young person.

“I want my say in decisions”. Cared for young person.

“Being a care leaver faces you up to not having a family around you like most of your mates. It is hard and lonely sometimes.” Care experienced young person.

“Don’t just talk to us. Hear what we have to say and understand what it means” Cared for young person, specific consultation session.

8. Implications:

Financial Implications:

- 8.1 Placements for children and young people in care are funded from the revenue budget. This proposal aims to contain and preferably reduce the cost of residential care, by using local block contracted homes at or below the average market weekly rate. It will also reduce the cost of social workers and other professionals travelling to out of area placements for visits and review.

Close contract management will be required to manage placements and voids appropriately in order to minimise adverse budgetary pressures.

Legal Implications:

- 8.2 There are no known legal implications however a key performance measure for Local Authorities is the number and percentage of children looked after placed more than 20 miles from their home address. At present 95 % of all children and young people placed in registered residential provision live outside of the Council’s boundaries and 52% live outside of the wider Southwest. This project would aim to improve this metric in ensuring our children can be placed much closer to home.
- 8.3 In addition, we have committed to ending the use of ‘unregistered’ homes and this project would be a very specific step towards this, with the potential to continue to develop more local homes.

Corporate Parenting/Children and Young People:

- 8.4 This project will have a direct positive impact on care experienced children and young people, enabling more to live in safe, regulated provision closer to their family, friendship, education and health links. This aims to support their emotional health and well-being and educational attainment and is in line with the Council’s Corporate Parenting Strategy and Sufficiency Strategy.

Associated Risks, Risk Tolerance Level and Mitigations:

A summary of key risks associated with the recommendations in this report are:

1. Failure to award contract – mitigated through premarket engagement. The expression of interest process has signalled that providers are interested in this opportunity.
2. Failure to award a contract – the procurement will be monitored closely by senior officers and any risks flagged early through governance.

The risks of not approving the recommendations include impact on children in not having the opportunity to be placed in Ofsted registered local homes, and the financial challenges associated with out of area placements.

Full risks are set out below:

Risk	Risk score before mitigations (likelihood x impact)	Mitigations	Risk Score after mitigations (likelihood x impact)	Risk tolerance
Failure to award a contract – no appetite in the market	Likelihood (2) x Impact (4) = 8	Premarket engagement and taking information gathered forward into the specification and procurement – the Expression of Interest process has indicated a good level of interest in this opportunity	Likelihood (2) x Impact (3) = 6	Acceptable
Failure to award a contract – pricing of responses, affordability of proposals	Likelihood (3) x Impact (3) = 9	Premarket engagement and taking information gathered forward into the specification and procurement	Likelihood (2) x Impact (3) = 6	Acceptable

Failure to award a contract - market capacity to respond to multiple procurements	Likelihood (2) x Impact (3) = 6	Premarket engagement and taking information gathered forward into the specification and procurement timelines. Not aware of any other current residential procurements in neighbouring local authorities.	Likelihood (2) x Impact (2) = 4	Acceptable
Failure to award contract due to unachievable timescales	Likelihood (3) x Impact (3) = 9	Ensuring providers have sufficient time to respond to the procurement	Likelihood (2) x Impact (3) = 6	Acceptable

Contributions to tackling climate change or achieving carbon neutrality:

Developing local children's homes to meet the needs of Torbay's children and young people who require residential care contributes to tackling climate change and achieving carbon neutrality in the following ways;

- a) Currently 95% of our children and young people in residential care are placed outside of the Council's boundaries. By developing local children's homes this will reduce travel for them, their families and our professional staff carrying out their statutory duties.
- b) Contribute towards meeting the 'Greener Way For Our Bay' Torbay Climate Partnership's framework and action plan by ensuring the homes specification includes key requirements, e.g.;
 - People living and working in homes and buildings that are energy efficient.
 - Helping green businesses and creating new jobs with the environment at their heart.
 - Ensuring the community is at the heart of local action.
 - Monitoring progress and set up initiatives that celebrate success.
 - Helping everyone understand why change is needed and how sustainable choices will make a difference.
 - Working with nature and the local community to prepare for a changing climate.

Social Value Considerations:

The procurement of children's homes to be situated in Torbay will contribute to Social Value in the following ways;

- Potential employment opportunities and workforce development in the children's homes
- Potential construction and renovation opportunities for local firms in making buildings suitable for use
- Potential homes for vulnerable children and young people situated closer to family connections, local education and health provision
- Social value will be included in method questions within the procurement and will therefore form part of the evaluation

Procurement Implications:

This proposal involves spend with external suppliers and therefore a procurement process must be undertaken. The intended route to market is an above threshold open tender in line with the Procurement Act 2023. Local suppliers and SMEs will be enabled to bid for the opportunities; there has been consideration to Lots and formal pre-market engagement will be undertaken to warm the market to the opportunities. Social value will be included in the procurement process.

Other Implications:

None known

9. Equalities Impact Assessment:

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	18% of Torbay residents are aged under 18 years old. 55% of Torbay residents are aged between 18 to 64 years old. 27% of Torbay residents are aged 65 and older.	The development of this Children's Home is expected to positively impact Torbay's children looked after aged 11–17. All local authorities have a statutory duty to provide care and accommodation for children looked after as part of the sufficiency duty. It will enable more children to continue to remain living in Torbay where they can maintain relationships with their families/friends/local communities, continue their education and access healthcare provision and other trusted support services locally.	Not Applicable	
Carers	At the time of the 2021 census there were 14,900 unpaid carers in Torbay.	There is no differential impact.	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	5,185 of these carers provided 50 hours or more of care.			
Care experienced	As of January 2026, there were 277 former care experienced young people aged 18-24 in Torbay.	The development of this Children's Home is expected to positively impact Torbay's children looked after aged 11–17, including young people with disabilities.	Not Applicable	
Disability	In the 2021 Census, 23.9% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	The development of this Children's Home is expected to positively impact Torbay's children looked after aged 11–17, including young people with disabilities.	Not Applicable	
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same	There is no differential impact.	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	as their sex registered at birth.			
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	There is no differential impact.	Not Applicable	
Pregnancy and maternity	- Between 2013 and 2024, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 56.0 per 1,000) than the Southwest (53.4) and broadly in line with England (56.3). - For the period 2022 to 2024, rates in Torbay (44.6) have been significantly below England (50.0).	This Children's Home is not focused on provision for older children looked after who are pregnant or who are parents. Therefore, no impact is expected in relation to pregnancy and maternity.	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as the following: • 1.6% as Asian, Asian British or Asian Welsh • 0.3% as Black, Black British, Black Welsh, Caribbean or African • 1.5% as being of Mixed or Multiple ethnic groups • 96.1% as White • 0.4% described their ethnicity another way. • Black, Asian and minoritised ethnic communities are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	No impact is expected in relation to race.	Not Applicable	
Religion and belief	The 2021 Census showed that the residents in Torbay	There is no differential impact.	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	identify their religion and/or belief as the following; • 48.5% are Christian • 0.4% are Buddhist • 0.2% are Hindu • 0.6% are Muslim • Less than 0.1% are Sikh • 0.1% are Jewish • 0.7% have another religion • 43.2% have no religion • 6.3% did not answer			
Sex	• 51.3% of Torbay's population are female. • 48.7% of Torbay's population are male.	This Children's Home will not be a single sex home. Where it is deemed that a young person would benefit from being in a single sex Children's Home, this would be considered at the point of matching. Inclusion will be considered throughout the development of the Children's Home	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
		through to the provision once it opens. For example, the service provider will ensure there are no stereotypes when it comes to the delivery of activities within the home. In addition, facilities will be unisex and non-gender specific.		
Sexual orientation	In the 2021 Census, residents described their sexuality as follows; • 89% as Straight or Heterosexual • 1.7% as Gay or Lesbian • 1.1% as Bisexual • 0.1% as Pansexual • 0.1% described their sexuality another way • 7.4% of people didn't answer the question	No adverse impact is expected in relation to sexual orientation.	Not Applicable	
Armed Forces Community	• In 2021, 3.8% of residents in England reported that	There is no differential impact.	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	they had previously served in the UK armed forces. In Torbay, 5.9% of the population have previously served in the UK armed forces.			
<i>Additional considerations:</i>				
Socio-economic impacts (Including impacts on child poverty and deprivation)	Torbay is ranked as the 39th most deprived upper tier local authority in England in the Index of Multiple Deprivation 2025.	Positive impact	Not Applicable	
Public Health impacts (Including impacts on the general health of the population of Torbay)	For the five-year period 2020 to 2024, data shows there is a 6-year life expectancy gap between males who live in Torbay's least and most deprived areas and, a 3-year gap for females.	Positive impact	Not Applicable	
Human Rights impacts		Positive impact	Not Applicable	

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Child Friendly		Positive impact. The proposal supports Torbay's ambition to be a Child Friendly place by helping children who need residential care to live in safe, stable and nurturing homes closer to their local communities, schools, health services and important relationships wherever this is in their best interests. Developing local homes also strengthens children's ability to maintain a sense of belonging and connection with Torbay, and reduces the disruption caused by living at distance. Children and young people will be involved as experts by experience in the procurement and mobilisation of the homes, so that their views, wishes and feelings help shape the design and delivery of provision.	Not Applicable	

10. Cumulative Council Impact:

The proposal aims to support our corporate parenting due and help contain or reduce our spend on residential care.

11. Cumulative Community Impact:

None

12. Monitoring and Evaluation:

The services put in place as a result of this proposal will be monitored in accordance with the Council's contract management processes. Performance will be measured against agreed key performance indicators and feedback from the children and young people placed within the provision.

Appendices:

None

Background Documents:

Appendix 1: Torbay Corporate Parenting Strategy - [Corporate Parenting Strategy 2025/28 - Torbay Council](#)

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