

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR (CHILDREN'S SERVICES) TO CABINET

PROPOSED OPENING OF A NEW BMBC MANAGED CHILDREN'S RESIDENTIAL HOME

1.0 PURPOSE OF REPORT

- 1.1 To outline BMBC's current level of placement sufficiency and Barnsley's approach to securing greater local availability of high-quality provision which meets need, delivers positive outcomes and achieves greater financial balance.
- 1.2 To outline placement commissioning arrangements and challenges currently within the national care market including Covid-19 and the impact this is having on placement availability/affordability.
- 1.3 To seek Cabinet's approval for adopting the attached business case proposing an additional residential home for children in need of care.

2.0 RECOMMENDATIONS

- 2.1 **That Cabinet approves Option 1 outlined in Paragraph 5.1 of this report for an additional 5 bed Local Authority residential unit to secure greater sufficiency and outcomes for Barnsley children.**

3.0 INTRODUCTION

- 3.1 BMBC's approach to local authority care is that children when-ever possible should remain in the care of their family or be in care for as shorter time as possible within a family placement. There are children who do need our care and a small number of young people where a residential care home option rather than a foster care placement is the best placement match. In these cases, high-quality residential care needs to be procured to meet individual needs and help to achieve good life outcomes.
- 3.2 Every child should grow up safe, happy and be able to reach their full potential. As Corporate Parents, we have high aspirations for our children in care. Children who are looked after can be at greater risk of not realising their full potential or having poorer outcomes in terms of physical health, emotional health and educational attainment. There is an increased risk of offending, substance abuse, children going missing from home and young people becoming disenfranchised with and excluded from education and society.
- 3.3 It is therefore important that as a LA we show young people that we are invested in them, listen to them, and value their voice. We should ensure we provide the best

possible care and coordinated support from across the Barnsley Children and Young People's Trust to enable good outcomes, and foster feelings of permanence, trust and safety. The proposal for an additional local residential provision will increase our placement options locally reducing our placement sufficiency target of 15 out of area placements to 10. It will ensure we keep children and young people where possible within their hometown looked after by a team of professionals who will meet their needs directly or by working with partners/services to enable a holistic approach with full LA oversight. The associated post of Health and Wellbeing Support Worker will enrich our local offer further and enable best practice.

- 3.4 It should be noted that professionals work hard to support children out of borough, and these children remain a key and important focus for us as corporate parents. However, ensuring that we can keep these children within their local community allows us greater oversight and allows us to deploy our workforce more efficiently by reducing travel time and increasing support time. Commissioning pathways to meet statutory duties for LAC are complex, particularly for those children placed out of area and can often lead to delays in accessing provision. Our Virtual School Team, work with LAC children both within and outside of the borough but have strong local relationships with our local schools and the Alliance Board. This allows greater influence over local systems, policy and support. The team are also able to offer tailored support to local residential provision and carers to support learning and increase engagement in learning for this vulnerable group. Educational attainment for LAC in Barnsley is improving year on year for all key stages and we want our children to benefit from this improving picture.
- 3.5 In the past five years there has been a year-on-year increase in the number of children in care nationally which has had a significant impact on the availability of suitable placements. Placement demand across the country and more specifically within the Yorkshire region outstrips supply and has resulted in a provider driven market where Local Authority purchasers have limited ability to manage the market. This has resulted in a national 'care crisis'. To mitigate against this, position our neighbouring local authorities are moving towards in-house residential provision to improve their placement sufficiency and divert investment into local services/improving outcomes.
- 3.6 The ability to secure placements for children who require residential care has been impacted by the increasing national demand. Most of our placements for Looked After Children are made through our regional framework agreement, which ensures quality and best value. Wherever possible placements are made on the framework, when this is not possible, due to availability, arrangements are then required to have off contract negotiations which can incur higher placement tariffs. Investing in local high-quality provision alongside the White Rose Framework will enable more control over our placement options alongside increasing provision quality/outcomes.
- 3.7 Barnsley's Children in Care number is well managed and as a proportion of the population (59.7 per 10,000) compares favorably to statistical neighbour's average rates (102.5 per 10,000) and below the national average of 65.0 per 10,000. This is achieved through robust care management and permanency planning for children, exiting them out of the care system where it is appropriate and safe to do so. Covid 19 will change this number as we have seen an increase in our care number, however, it is expected that this will be the case nationally therefore regional benchmarks will remain broadly the same. Work to unpick the rise in numbers has

begun to understand clearly the reasons for the increase and the longevity of impact and this will be monitored via the Placement Sufficiency Board and PSORP.

3.8 Whilst demand for all Children in Care placement types has increased the Children's Residential market has seen arguably the most significant shift. The impact of this is best demonstrated through the year on year increases of the average weekly cost of residential placements.

3.9 **Placement Sufficiency Strategy**

3.10 The refreshed Placement Sufficiency Strategy (PSS), which outlines our strategic objectives and priorities in relation to placement sufficiency was considered and approved for adoption by Cabinet at the meeting held on 22nd July 2020.

3.11 The key ambition of our PSS is to support children and young people family placements either in fostering placements or through Special Guardianship Orders (SGOs). On 31st March 2020 91.7% of our children in care were in Family Placements, with 6.3% or 19 children/young people placed in residential settings. Our PSS details a specific target of 15 residential placements which we aim to reduce via a shift towards developing increased levels of local provision.

3.12 Consistent oversight within the weekly Placement Sufficiency Oversight and Resource Panel has ensured that placement breakdowns are kept to the lowest levels possible. Placement stability under MI28 remains an area of strength in comparison to other authorities. In Barnsley young people who have had 3 or more placements is only 7.0% as at the end of March 2020. This compares positively with both statistical neighbours and national benchmarks, from latest available data, at 9.5% and 10.0% respectively. This is also an improvement on our position in 2018/19 (11.0%).

4.0 **PROPOSAL AND JUSTIFICATION**

4.1 When a child enters care the priority is always to place in family settings where possible. However, for a small number of young people, specifically adolescents aged 12 and above, recommendations and assessments from professionals demonstrate that family settings are likely to have a negative impact on the young person's outcomes. These young people are likely to have strong attachments with their birth family and can often feel resentful to Foster Carers in a family-based placement. In addition, these young people have often experienced a number of breakdowns in fostering settings and therefore placing them in another family setting is potentially traumatic and will lead to further placement breakdown.

4.2 In these instances, there is a very clear and important role for residential children's homes. Residential care provides a stable environment but not one which could be considered by the young person as a replacement for their birth family. In some cases, residential care provides a steppingstone for a young person to be supported into a family placement but for many young people residential care provides the most successful placement setting for their time in care.

4.3 There is a demand for placements which are difficult to secure, and the limited options sometimes means that children are placed in external, high cost residential provision, at a distance from their families, their social network and the key professionals who

know and support them. Increased local residential capacity improves our ability to care for our children in care ourselves, improve their outcomes and reduce where possible independent provision costs so we can reinvest in improving outcomes locally.

4.4 Analysis of demand has been conducted to inform the business case and demonstrates a steady and stable demand for residential care over the past three years. In the last three years we have made an average of 8 new placements in either residential or 16+ provision which could be met by additional in-house residential capacity. High level analysis of the cohort currently in external residential provision has highlighted that six children could be matched with additional in-house provision however it should be noted that this is an ever-changing picture.

4.5 It is proposed that a 5-bed residential home would be the best provision to meet need. This reflects a national trend towards smaller residential settings which support a therapeutic approach. The smaller units offer a more personalized experience for young people and have demonstrated both locally and nationally to deliver positive outcomes for children in care.

4.6 With the additional in-house capacity we expect to deliver the following improved outcomes:

- Improved positive young people/adult/professional and service relationships and access.
- Increased ability to maintain education placements, raise standards, and prevent young people becoming NEET.
- Increased support to access services, for example CAMHS better coordination of support.
- Maintain, where appropriate, connections with birth family and wider community network.
- Access to a dedicated Health and Wellbeing practitioner to support long term aims and improve lifelong outcomes.
- Show children and young people that as a local authority we want to invest in high quality provision to meet their care needs within their hometown maintaining their identity as residents of Barnsley.

4.7 The positive outcomes for children and young people detailed above are supported by significant financial benefits. The financial costings included in the business case detail cost avoidance by 2024/25; £338,077 on a 4-bed unit and £939,151 on a 5-bed unit. Cashable savings derived from additional in-house provision have been included with the MTFS for 2022/23. The overall cost of the provision will be £605,000. The option to procure a property and let to a private provider has been explored in the business case as per option 3 but this is not our preferred option as we could not directly control placement quality, costs, flexibility around occupancy, and access. The market which currently favors the Provider means less acceptance of block contracts on mutual terms due to high level demand across the country.

4.8 **Financial justification**

The cost of external residential placements is a significant factor in relation to this proposal. The average weekly cost for an external residential placement, as at June 2020, is £3,725. However, these mask a significant cost variation of between £2,745 to £4,950 per child per week for our current residential placements. It is worth noting

that the average weekly cost has risen continuously and the increasing national, demand for placements means this is not likely to be a trend which is reversed or indeed slowed.

4.9 Of the above placements identified where we believe children could more positively be accommodated locally, the average weekly cost is around £3,336 per placement per week. This compares with the current weekly cost of Spring Lane of £2,415 per placement per week. This would equate to a cost savings over 52 weeks of £191,568 for 4 children achieving a good sum for re-investment.

4.10 **Proposed timeline**

A full project timeline is included within the Business Case developed for the proposal and has been informed by OFSTED guidelines and by colleagues in neighbouring authorities who have recently completed the opening of new in-house residential provision. If project approval is given by December 2020 the timeline indicates that the new in-house provision would be ready to take placements by September 2021. Included below are details of key milestones the project must deliver to meet an opening date of September 2021.

- Project approval required by December 2020
- Property purchase completed by March 2021
- Staff recruitment including Registered Manager commenced by April 2021
- OFSTED registration completed by May 2021

The property specification has been outlined to colleagues in Assets and a soft market search is underway.

5.0 **CONSIDERATION OF ALTERNATIVE APPROACHES**

5.1 Consideration has been given to several options and a full SWOT analysis was included within the Business Case developed for the proposal. The options which have been considered as part of the business case were :

- 1) Increase additional in-house residential capacity by either a 4 or 5 bed home, cost profiles have been developed for both options.
- 2) Continue to commission residential provision from external, private residential providers at current levels.
- 3) Commission a private provider to develop residential provision for our sole use.

5.2 Option 1 has been chosen as the preferred option by the Children's Directorate and further analysis of the profiles of a 4 bed and 5 bed home have been undertaken and the recommendation is to progress the development of a 5-bed home.

5.3 Full financial analysis is included in section 7 and within the supporting business case.

6.0 **IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS**

Creating additional in-house residential capacity has the potential to have significant positive impact on the cohort of Children in Care as outlined in 4.5.

7.0 FINANCIAL IMPLICATIONS

7.1 The Service Director – Finance (S151 officer) or his representative has been consulted in drafting this report.

7.2 The financial implications of developing a 4 bed or 5 bed unit is detailed in the attached Business Case. However, the following paragraphs summarize the financial implications of the recommended option to implement a 5-bed unit.

7.3 Capital requirement (5 Bed Unit)

The capital cost of acquiring an appropriate property and associated refurbishment is estimated at £1m – this is based on a recent update provided by Asset Management (this is an increase to the estimated capital investment of £605K quoted in the Business Case). The above investment requirement has been submitted for consideration / funding as part of the Council's MTFS and capital programme prioritisation process.

7.4 Revenue cost / funding

The cost of staffing and running the 5-bed residential home has been modelled using the Council's own Spring Lane children's home as the baseline. The annual running cost has been estimated at £663,976, with a part year of £458,671 (which includes one-off set up costs). The annual FY cost includes additional wellbeing practitioner nurse to work across both children's homes.

7.5 It is assumed that the above revenue cost can be contained within existing placement budgets, on the basis that existing external placements can be matched / placed in the proposed home. Thereby displacing current or anticipated high tariff cost / payments.

7.6 The level of cash savings assumed in a full year is estimated at £304,524 (with a part year savings of £25,579 in the first year). The occupancy rate would need to be maintained at 69% or above for this unit to be financially viable. This savings is based on the differential cost of an external placement cost compared to an in-house placement. It also assumes that we would maintain our planned residential care LAC numbers (as per the LAC strategy).

7.7 Financial risks

The following are the key financial risks as identified in the business case:

- The proposal (and LAC strategy) does not assume any growth in residential care LAC numbers – therefore to the extent that there is any increase it would impact on the assumed cost savings.
- Occupancy rate needs to be above 69% to be cost effective for a 5-bed residential home, therefore it is important that the right / appropriate young people are matched and placed in the home and that it is properly staffed. It is however worth noting that occupancy at Spring Lane is proactively managed and maintained at an average of 100% (2019/20) but residential care numbers are subject to

change. Advancement of local fostering provision via the 'Mocking Bird' Programme is also expected to increase the possibility of placement within a foster care setting for young people who would have been better matched previously within a residential care home setting.

8.0 EMPLOYEE IMPLICATIONS

Subject to the approval by Cabinet of the Business Case, the Service Director (Children's Social Care and Safeguarding) will consult the Service Director (Business Improvement, Communications and Human Resources) with a view to recruiting a manager and other posts at the proposed residential care home as part of the Council's Scheme of Delegated Decisions.

9.0 LEGAL IMPLICATIONS

9.1 Given the state of the market, Option 1 outlined in the Business Case is considered to be the best means of complying with our statutory duty of ensuring there is a sufficient number of placements for children and young people in need of care.

10.0 CUSTOMER AND DIGITAL IMPLICATIONS

10.1 The adoption of the Business Case leading to the establishment of a new, directly managed residential home for children in need of care in the Borough would have no implications for accessing the range of Council services or the onus towards digital transactions with customers.

11.0 COMMUNICATIONS IMPLICATIONS

11.1 If approved and in the interests of safeguarding children placed in the proposed residential home, communications would be restricted to registering the facility with Ofsted for regulation purposes.

12.0 CONSULTATIONS

12.1 If project approval is given a program of consultation work with our Care 4 Us Council will be arranged to ensure the views of children in care are incorporated into the planning and development of the new provision. We will also include representatives of the Care 4 Us Council in the recruitment and selection of staff and the Registered Manager.

12.2 To inform this report and the Business Case consultation has been undertaken with colleagues from Assets. A high-level property specification has been shared to support a soft market search for suitable properties. Feedback from Assets suggests very buoyant property market but there are properties available.

12.3 The Business Case has been considered by the Council's Capital Programme Oversight Board and the Senior Management Team both of whom have endorsed the business case for establishing a directly managed Local Authority residential home for children in need of care in the Borough.

13.0 THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 The purpose of the proposal is to meet the needs of children in need of care in the Borough by developing the local market for accommodation and ensuring such children can be cared for closer to home, within their communities and that the quality of provision enables them to thrive and achieve their potential as outlined in the Borough's Placement and Sufficiency Strategy for Children in Care (2020-23), the Barnsley Children and Young People's Plan and the objectives of the Corporate Plan.

14.0 PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

14.1 An equality and community impact assessment has been compiled as part of the business case. The proposed facility, if approved will aim to meet the specific needs of individual children with protected characteristics as informed by the Care4Us Council during consultations and in accordance with the Public Sector Equality Duty.

15.0 TACKLING THE IMPACT OF POVERTY

15.1 Please see Paragraph 13.2 of the report.

16.0 TACKLING HEALTH INEQUALITIES

16.1 In accordance with our ambitions for all children and young people in the Borough, children in all forms of care will be supported in receiving regular health assessments (including dental assessments) together with access to other forms of therapeutic treatments where a need has been identified. This is part of ensuring improvements in the range of outcomes for all children in care.

17.0 REDUCTION OF CRIME AND DISORDER

17.1 There should be no implications for the Borough's Plan for tackling crime, disorder and anti-social behavior emerging through consideration of this report. Please also see Paragraph 13.2 of the report

18.0 RISK MANAGEMENT ISSUES

18.1 Subject to approving the business case, any operational risks associated with the management of the proposed children's residential facility will form an integral part of the Children's Social Care and Safeguarding Service's operational risk register which will be subject to regular review and if necessary immediate remedial action will be undertaken to manage and mitigate any risks emerging.

19.0 HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

19.1 Apart from ensuring the safety and protection from harm of all children in care who would be placed in the provision there are no further health or safety implications for the public arising through the report. However, consideration would need to be given to temporarily restricting the occupation of such a facility in the event of Covid-19 continuing into 2021/22 in order to maintain social distancing and curtail the spread of infection, as part of a business continuity and recovery plan.

20.0 COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

20.1 The proposed establishment of a directly managed residential home for children in need of care would accord with the Articles and Protocols of the EU Convention and the rights of the child.

21.0 CONSERVATION OF BIODIVERSITY

21.1 There are no implications for the local environment, tackling climate change or for the conservation of biodiversity arising through this report.

22.0 GLOSSARY

22.1 None, applicable.

23.0 LIST OF APPENDICES

Appendix 'A': Financial summary of cost implications

24.0 BACKGROUND PAPERS

24.1 If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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