

REPORT TO: Executive Board

DATE: 14 December 2017

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Children, Young People & Families

SUBJECT: Council Provision of Residential Care for Children

WARD: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To seek approval of the preferred option for the future delivery of children's residential care in Halton

2.0 RECOMMENDATION: That Executive Board approve the option to commission a third party provider.

3.0 SUPPORTING INFORMATION

3.1 A number of options have been considered for the future delivery of residential services for children in care following the de-registration and review of Edinburgh Road Children's Home.

3.2 The review highlighted that significant financial investment in the service would be required to meet the requirement of registration if the local authority was to re-register and manage the provision directly.

3.3 A children's home managed by another organisation could be a more cost effective model and would limit some of the Council's liability and risk in running its own service. The review of the home identified that in order to meet required standards, investment would be required in a larger, more skilled staff team and in the management capacity to oversee it. This is significant when the Council has just one children's home. An external provider would already have access to a larger staff team and the management structure to support it.

3.4 The infrastructure is present. The home has planning permission, is fully equipped and has been established in the community. This would make it an attractive prospect for an external provider.

3.5 The focus for the provision would be on caring for young people aged 8-13yrs, with significant attachment issues, in small 4 bed

group living. The home would be a short to medium term option for young people with the aim of providing them with the support and therapeutic services that will allow them to either return to their own family, or to move on to permanent family based care such as fostering. The home would maintain them in local education provision, possibly utilising some of the alternative provision that has been developed, and will also promote contact with family and access to support from other services in the borough.

- 3.6 The service would be procured on the basis of the Council maintaining ownership of the building and leasing it to a provider as part of the contract.
- 3.7 Such a process is likely to take 5-6 months. The service would need to be procured, the home re-registered, staff team recruited and appropriate training delivered. There would be TUPE implications for the 3 remaining staff from Edinburgh Road.
- 3.8 There are plenty of providers of residential care in the region, some of whom Halton would be happy to work directly with, and who may be interested in this opportunity. Other local authorities have developed this model, either as part of a mixed economy (Manchester, Wigan) or by procuring all their residential provision (Cheshire East).
- 3.9 If Halton had no children to place in such provision, or the match with others already resident was not positive, there is the option that any spare capacity in the home could be offered to other authorities, possibly at a premium, and therefore generate income for the Council.
- 3.10 The initial focus for any such provision would be to return some of those young people who are currently placed outside the borough in external, purchased provision.
- 3.11 The cost of the provision would be funded by utilising Edinburgh Road's existing budget which would be sufficient to fund the procurement of the provision and the placement of up to 4 young people. If up to 4 young people are returned to the borough from external provision, there would be a reduction in the current out of borough spend as a result.
- 3.12 This option maintains a children's home in the borough and allows Halton Children and Families Service to work with a provider in ensuring the quality of service and its availability to Halton young people.
- 3.13 In the future, there may be other options to consider. Early discussions with Cheshire West and Chester Council have

commenced to see if there is any opportunity to do some joint work across the children's residential sector. This may also provide some additional/alternative options to consider but none that have come to fruition so far.

3.14 Cheshire West and Chester Council have also recently had a successful bid to the Innovation Fund agreed and have received funding via a social impact bond to develop a 'step down to foster care' service. This will aim to recruit foster carers for young people who have been in residential provision but are ready to live within a family setting. Halton has been named as a partner in this proposal and although it is very early stages, a step down service could be an option for children placed at Edinburgh Road.

3.15 Within Children and Families Services, a plan to train social work and other staff in systemic family therapy will commence in January 2018. It will take two years to train the first cohort, with other cohorts following on an annual basis. This service could contribute well to preparing young people to move from residential to family based care.

3.16 This whole approach would provide a new working model for some of the 8-13 year old children in care. Within 2-3 years the model could be reviewed and along with it, the role of Edinburgh Road. When a sufficient cohort of staff are trained, consideration could be given to Edinburgh Road offering a base for the delivery of intensive family therapy. This would be directed at preventing children coming into care and supporting them to both remain and return home. There could be a short break residential component to this service.

4.0 **POLICY IMPLICATIONS**

4.1 The proposals are consistent with providing services to meet the needs of children and families in the borough.

5.0 **FINANCIAL/RESOURCE IMPLICATIONS**

5.1 Edinburgh Road has an allocated budget of £501,100 per annum.

5.2 This would be sufficient to fund the procurement of an external provider and may result in some savings.

5.3 The first placements for the home would be young people returning from out of borough provision. Future placements would prevent the need for out of borough provision and would reduce the spend on external provision.

5.4 There are currently 7 young people (2 female, 5 male) aged between 8 and 13 years in external residential provision. The total

cost of their placements is over £17,700 per week, £920,000 per annum.

- 5.5 The average cost of an external children's home placement is approximately £2,885 per week, with a current range between £2,300 per week and £6,000 per week. If 4 young people were returned from out of borough to Edinburgh Road provision, this would represent a minimum reduction to the Out of Borough budget of £9,200 per week, £479,688 per annum.
- 5.6 Procurement for the service would take place using a clear service specification that would outline the requirements of the service both in terms of delivery, and the impact and outcomes to be achieved for young people. The specification and tender submission would have a strong focus on safeguarding and quality. Young people would work alongside offices in the procurement process. References would be obtained regarding the previous track record in children's residential care of any company who submits a tender.
- 5.7 As part of the tendering process, potential providers would be asked to outline how they would deliver a social value impact for the borough, for example, training, employment or work placement opportunities for children in care and care leavers
- 5.8 Once awarded, a performance management framework would be developed incorporating formal compliance processes as well as regular review meetings.
- 5.9 Having taken advice from Commissioning colleagues, the view appears to be that the building should be offered as part of the contract, with the provider picking up all running costs. Leasing the building to a provider was discussed but the view both regionally and locally is that leasing the building out to a provider will only result in an 'inflated' unit/contract cost and will therefore be of no financial advantage.
- 5.10 Commissioning colleagues also advise that a specific budget would not be attached to the tender but that the expectation is that a bed/unit cost would be around £2,000 per week. This would need to be tested and determined within the procurement process.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

This revised service and specification would support children in care to remain in the borough.

6.2 **Employment, Learning & Skills in Halton**

None

6.3 **A Healthy Halton**

None

6.4 **A Safer Halton**

None

6.5 **Halton's Urban Renewal**

None

7.0 **RISK ANALYSIS**

7.1 The lack of a children's home which Halton Borough Council can solely utilise, presents a risk to the ability to place children locally, in a service whose performance and quality can be closely monitored. While there is an associated risk that such a home may not always be able to meet the needs of Halton children, there would be the ability to offer places to other local boroughs and therefore minimise any 'void' placements

7.2 Commissioning such a service reduces the liability on the Council but there would still need to be considerable oversight and monitoring in place to ensure it was delivering the type and quality of service that Halton children require.

7.3 There are 3 members of staff whose substantive posts remain at Edinburgh Road. They are currently working on a supernumerary basis within Children and Families Services, funded by the Edinburgh Road budget. If the service was to be commissioned then the remaining staff would be placed at risk and TUPE would apply if they transferred to the new provider.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Being able to provide appropriate placement choice for children in care, which achieves positive outcomes for them by working alongside the relevant support services, and is locally based, is crucial to offering a good service to Halton's children in care.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.