

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 17 February 2020

Report Title

Operational Delivery of LAC Sufficiency Strategy - Proposals to Develop New Residential Provision

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Sally Hodges, Interim Strategic Director of Children and Young People's Services

Report Author(s)

Jenny Lingrell, Joint Assistant Director of Commissioning, Performance & Inclusion
01709 254836 or jenny.lingrell@rotherham.gov.uk

William Shaw – Head of CYPS Development Programmes
william.shaw@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report outlines Rotherham Children and Young People's Services strategic intention to reduce external residential placements and ensure more Rotherham looked after children and young people are placed within borough close to their family and community networks.

Rotherham is a regional, statistical neighbour and national outlier for the number of looked after children and young people placed in out of area external residential placements.

Rotherham does not have any in-house residential provision, so when a child requires a residential placement this is provided with an external provider. These placements are high cost and predominantly out of borough.

This report provides a proposal to develop a range of in-house residential provision including emergency accommodation for Rotherham looked after children.

This new provision, along with foster care, third party in-borough block contracts, semi-independent provision and other family based placements, will provide a mixed economy of arrangements which will effectively meet Rotherham's statutory duties, outlined in the Sufficiency Strategy 2019 -2022.

The proposal provides an opportunity for Rotherham to invest in residential provision which will:

- Ensure more children and young people are placed in Rotherham close to their communities, families, friends and schools.
- Deliver improved outcomes for looked after children.
- Develop a service model that encourages step-down to family based placements.
- Provide a local response to the increasing demand for a range of residential placements.
- Provide greater flexibility and control of provision.
- Reduce placement costs and support the delivery of directorate savings.

Recommendation

1. That the proposal to develop in-house residential provision in the borough, as required to deliver the LAC Sufficiency Strategy 2019-2022, be approved.
2. That approval be given to progress to operational delivery of two properties in the first instance and also for the continued development of the plan to deliver the intention of the strategy.
3. That a further report be presented to Cabinet on the submission of the Ofsted registration for the first two homes, and any requests for permission to move to the next stage of the programme which will include an update on the financial implications.

List of Appendices Included

Appendix 1 Initial Equality Screening

Appendix 2 Location of properties (Exempt)

Background Papers

Looked After Children's (LAC) Sufficiency Strategy 2019-2021

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Yes

An exemption is sought for Appendix 2 under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains sensitive commercial information of letting a tender. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the Councils commercial interests could be prejudiced by disclosure of this commercial information.

Options for Operational Delivery of LAC Sufficiency Strategy (Proposals to Develop New Residential Provision)

1. Background

- 1.1 The Rotherham Looked After Children (LAC) Sufficiency Strategy 2019-2022 agreed at Cabinet 10/6/19, identifies the challenges that the Borough faces in relation to meeting its statutory duty to provide care and accommodation to our looked after children that is high quality, enables children to achieve the best outcomes and provides value for money.
- 1.2 The underpinning principle of Rotherham's approach is that every child has the right to a family life. Where this is not possible the Council will seek to ensure that a child lives with a supportive and nurturing family. In the event that living in a family home is not an option, the Council will make every effort to ensure that a child lives in a children's residential home that replicates family life as closely as possible. Once in care, every effort is made to either plan for the safe return of children to their families or have a permanent alternative family as soon as possible.
- 1.3 Rotherham does not currently have any in-house residential provision for Looked After Children. Rotherham's own residential children's homes were closed in 2016 when two were judged inadequate by Ofsted (St Edmund's and Woodview) and two were not fit for purpose at that time (Silverwood and Cherry Tree). These decisions were taken by Cabinet and Commissioners in the context of the wider improvement journey for Rotherham's children's services. The Council's standard is that our children and young people should only be placed in 'good' or 'outstanding' Ofsted rated placements. The Council does run an 'outstanding' Ofsted rated short breaks provision and this is the standard expected for all placements.
- 1.4 Currently residential placements are made with private providers via the White Rose Framework. Rotherham is a partner in the White Rose Consortium which consists of 15 local authorities within the Yorkshire and Humber region; this offers a level of assurance in relation to both price and quality when procuring placements with contracted providers.
- 1.5 Ofsted have revised their position on emergency accommodation for looked after children. They now advise that all emergency provision needs to be registered and regulated. The proposal with this paper will ensure compliance with the new position and updated guidance.
- 1.6 On December 31st 2019 there were 65 looked after Children in residential placements. This equates to 10.50% of the total LAC population (619 children). Of the 65 children placed in a residential placement on 31st December 2019, 81.54% (53 children) were between the ages 11-16yrs. Of the 65 children placed in a residential placement 49 (75.38%) were placed over twenty miles away.

1.7 Significant work is being undertaken to reduce the number of looked after children in Rotherham in a safe and managed way. Despite this reduction placement costs are increasing due to the over reliance on an inflated and volatile external market

2. Key Issues

2.1 Sufficiency development work is already in place to increase the number of in-house foster carers via a recruitment campaign. In addition external providers are setting up two 3 bed residential provisions in the borough and a further 5 bed provision for children with special educational needs and disabilities. Rotherham has a contractual arrangement to block-book all eleven beds of these placements at an agreed rate.

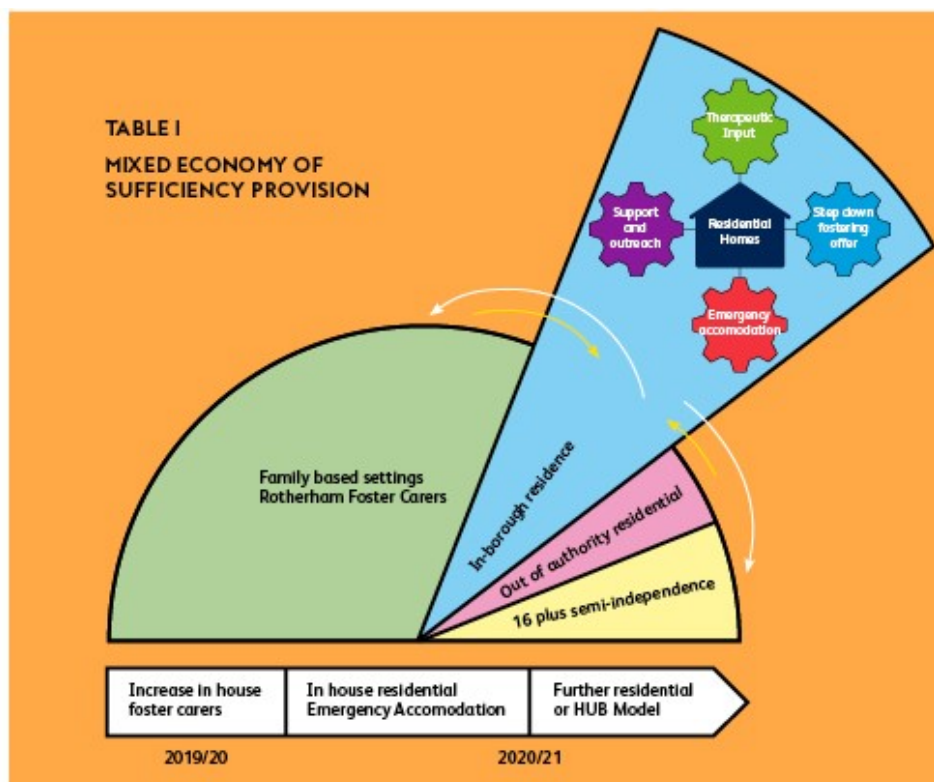
2.2 Despite these developments there is a need within Rotherham to increase the range and amount of residential placements available.

2.3 Significant work has been undertaken to review current need, gather learning from other local authorities, explore potential new approaches and financially model various options.

2.4 This proposal will develop Rotherham's sufficiency arrangements in order to flexibly respond to the needs of looked after children now and in the future.

The proposal will ensure that Rotherham has a mixed economy of provision (Table 1), including family based placements, third party residential block contracts and in-house residential provision. It has to be recognised that there will always be a need for specialist out of authority placements where there is a specific or significant assessed need which cannot be met with in borough provision.

2.5



- 2.6 The new provision will take learning from other local authorities and develop robust operating models and practice using the current systems and structures within the Directorate that have met the Ofsted standard of 'good'.

The staff team will be professionalised, with comprehensive evidence based training and a development programme. The in-house residential offer will have a clear remit in meeting a specific range of complex needs and will have a strong focus on residential care being an intervention not a destination.

2.7 *Proposal*

To develop a range of in-house residential provision that flexibly meets the needs of looked after children including emergency accommodation.

The new residential provision will be underpinned by the following principles

- Children and young people should be supported to live in their own communities wherever it is safe to do so
- Every child has the right to a family life. Intensive support will be provided to children and families on the edge of care and a family based placement will be the first priority for all looked after children.
- Where residential care is needed, the service is focused as 'an intervention not a destination'. This means that residential care is an intervention in itself and is there to help children move on to family based placement, not as a place that children stay indefinitely.
- Emergency accommodation will be registered and regulated and provide effective crisis support to children and families.

2.8 *Provision*

It is proposed that over time, the in-house residential provision will include a total of 16 residential and 2 emergency beds across 7 registered children's homes. This growth of provision will progress the intention to have local provision for children or young people wherever this would be the best outcome.

The proposed provision will be subject to review as each phase is brought forward for approval at Cabinet, with the intention of delivering over time:

- Three 4-bed residential homes. These homes will work alongside The Therapeutic Team, Edge of Care Workers and Step-down Foster Carers to offer a flexible range of support and interventions centred around the child.
- Two 1-bed registered and regulated emergency accommodation homes. These will provide short-term (no longer than 28 days) support for children and young people at the point of crisis.
- Two 2-bed family orientated longer term homes for children and young people with complex needs.

Each new residential home will have a clear function outlined in the Statement of Purpose, which will be agreed with Ofsted as part of the registration process, and may be adapted by the service to respond to future need.

2.9 *Model*

The operating model for the residential homes will be based on the Rotherham Family Approach with Signs of Safety, Restorative Practice and Social Pedagogy informing practice. There will also be an emphasis on trauma-informed approaches.

Resource from the Looked After Children's Therapeutic Team will be re-directed to provide residential staff with clinical support, advice and guidance and also provide children with dedicated and focused intervention around attachment and trauma disorders.

Step-Down Foster Carers will be linked to residential homes so that wherever possible children will be supported to step-down into a family-based setting. The therapeutic support will follow them into this setting, supporting transition by working directly with the identified carers.

The residential homes will also be supported by the flexible use of outreach and Edge of Care Workers. Input from partner agencies will be sought through existing partnership arrangements which will ensure a joined up wrap around service centred on the child.

A range of 1, 2 and 4 bed (for children) properties are being identified to ensure homes are small, family orientated and part of local communities. The number of beds per property has been selected in order to balance the need to manage complex matching issues with an effective and efficient use of staff. The move towards a range of smaller family oriented homes is in line with the direction of travel for all authorities across the country.

2.10 *Quality Assurance*

A robust internal monitoring and quality assurance process will be put in place to ensure each home reaches and maintains a good or outstanding rating from Ofsted. This will be achieved by applying the established Commissioning Quality Assurance Framework which is based on the key lines of enquiry underpinning the Ofsted Inspection guidance. The role of Young inspectors is embedded into the local quality assurance approach.

In addition, all Ofsted registered children's homes are subject to monthly Regulation 44 visits and reports by an independent person, in line with Children's Homes Regulations 2015. Each home will be registered and inspected by Ofsted.

The new residential provision will operate within a context of significantly improved social work practice that was judged by Ofsted to be Good in January 2018.

2.11 *Staffing*

Staff modelling has been completed, taking learning and best practice from other local authorities.

The total proposed staff required for all phases of the proposed residential provision will be circa 50FTE and circa 9FTE for emergency accommodation. This includes 4 Registered Managers who will cover the management of the seven homes.

Staff teams will work across more than one home. This will ensure a flexible, consistent and efficient use of staff. Staff will be recruited to a variety of contracts, in order that the fluctuations in demand, particularly with emergency accommodation can be managed efficiently.

2.12 Implementation

A phased implementation is being developed.

Phase One – 4 bed home and 1 bed emergency accommodation

Milestone	Date (2020)
• Start to recruitment for a Registered Manager	March
• Recruitment campaign to recruit staff	March – May
• Service ready adaptations and fittings to properties	April
• Ofsted registration process	May - July
• An update to Cabinet on progress and any further approvals for future phases.	June
• Assessment centre interviews for staff	Summer
• Staff training and induction	
• Services operational	

An update will be provided to Cabinet on the Ofsted submission for the registration of the first two homes and will seek further approvals to implement future phases of the strategic intention dependent on the progress made at that time. The update report will provide information on the progress against agreed milestones and implementation of Phase One and progress towards the longer term plan with any recommendations for approval to take forward future phases.

A detailed project plan has been developed containing all activities and milestones and identifying all associated risks. It is recognised that there are significant factors that could impact the progress of the implementation that are beyond the control of the project team, these include timeliness of Ofsted registration, recruitment of the appropriate qualified and experienced managers and staff and the identification and acquisition of properties that meet the specification.

This project is a corporate priority and the implementation programme will be supported by relevant Council functions and teams in order to expedite processes where possible to deliver against the identified timescales.

Progress against the plan will be monitored regularly by senior leaders in CYPS and subject to scrutiny through Improving Lives. Cabinet will receive reports on progress of Phase One and proposals for approval to move to future phases.

2.13 *Properties*

A property specification has been developed by CYPS to outline the criteria for selecting appropriate properties. This includes access to public transport, amenities and schools, number of living spaces, bedrooms, bathrooms, outdoor space and security.

There are currently two properties (one four bed property and one one bed property) that have been identified that are considered to be suitable and subject to Cabinet approval will be progressed.

A new capital scheme proposal (£2m) to provide in-house residential accommodation has been included within the 2020/21 budget report for approval by Council in February 2020.

A range of options will be considered for the purchase and or acquisition of properties. Costs attributed to these options have been factored into the revenue budget.

2.14 *Costs*

The total cost for a 4 bed residential home is £676k per annum. This costing assumes and incorporates the following;

- Staffing and recruitment costs.
- Premise, facilities and maintenance costs.

This equates to an average cost per child / place of £3,241k per annum at 100% occupancy. At 85% occupancy the unit cost would equate to £3,825k.

The total cost for 2 bed residential home is £362k per annum. This costing assumes and incorporates the following;

- Staffing and recruitment costs.
- Premise, facilities and maintenance costs.

This equates to an average cost per child / place of £3,475k per annum at 100% occupancy. At 85% occupancy the unit cost would equate to £4,100k.

The total cost of a 2x 1 bed emergency accommodation is £505k. This equates to £4 834 per week. This costing assumes and incorporates the following;

- Staffing and recruitment costs.
- Premise, facilities and maintenance costs.
- 2:1 staffing ratio 24/7 500 days in total

As identified in paragraph 6, the progression of in-house residential provision will enable savings. The overall projected annual savings of operating 16 in house residential placements against the budgeted placements cost would be a £709k budget saving when operating at 85% capacity. Of the saving, £652k relates to general fund budgets and £57k Dedicated Schools Grant (DSG) funding.

3. Options considered and recommended proposal

- 3.1 **Option One:** Further develop residential provision in the borough by negotiating contractual arrangements with third party providers.

This is not the recommended option.

If the Council remains reliant on third party providers, the offer will not be sufficiently diverse to meet the needs of Rotherham's looked after children; this will lead to an ongoing reliance on out of area placements that are spot purchased or procured through the White Rose framework. This option will continue to put pressure on the CYPS budget and will not bring Rotherham children back into the borough.

- 3.2 **Option Two:** To implement the proposed in-house residential provision.

Option two is the recommended option.

This option will give the Council more control over market management arrangements and will build in flexibility to meet future demand. Block contracts will be retained with third party providers to support and complement in-house development.

This option will ensure more children and young people are placed in Rotherham, close to their communities, families, friends and schools. It will enable a local in house response, alongside partners to the increasing demand for residential provision and deliver better outcomes for children and young people.

4. Consultation on proposal

- 4.1 Engagement has taken place to inform proposals with CYPS Commissioning, Procurement, Housing, R&E, Adult Services, Fostering and LAC and consultation with children and young people and Ward member's will form part of the next stage of activity.

- 4.2 A plan has been put in place, with guidance from Voice, Influence and Participation Lead, for the consultation and engagement of looked after children in the development and implementation of the proposal.

It is recognised that it is critically important that looked after children are effectively engaged and are able to inform and influence both the plans and implementation.

- 4.3 A detailed communication plan will be put in place, which will cover all key stakeholders including members of the public.

5. Timetable and Accountability for Implementing this Decision

- 5.1 A project lead has been recruited to lead implementation of the in-house residential development. A project group has been set up with representation from Asset Management, Housing, HR, Commissioning, LAC, Therapeutic Service, Finance, Communications and Performance.

6. Financial and Procurement Advice and Implications

6.1 Residential Homes

The current average weekly cost of external residential provision is £4,675 per week. Through effective review of placements and efficient commissioning a budget profile of £4,300 per week has been set for the financial year 2020/21. It is against this budget profile that in-house residential care would achieve savings on the average unit cost of a child placed in residential care.

6.2 The cost of operating a 4 placement residential home would require a budget allocation of £676k per annum and at 85% occupancy the unit cost of a residential place in a 4 bed home would be £3,825 per week.

6.3 The cost of operating a 2 placement home would require a budget allocation of £362k per annum and £4,100 per week based on 85% occupancy.

6.4 Therapy would be provided by the in-house Therapeutic Team as a re-direction of service provision and therefore would not impact on any budget funding or savings relating to the in-house proposal.

6.5 There would be one-off set up costs of £199k for the 5 homes relating to recruitment and training of staff 1 month prior to the homes becoming operational. Timing of the set up costs are subject to property acquisition, Ofsted registration and recruitment of staff.

6.6 The total annual budget requirement for 16 in house residential placements is £2.753m (excluding set up costs). The costs will be funded from transfer of the external residential placement budget.

6.7 The overall projected annual savings of operating 16 in house residential placements against the budgeted placement cost would be £709k when operating at 85% occupancy. Of the saving, £652k relates to general fund budgets and £57k DSG funding.

6.8 Emergency Accommodation

The budget requirement to run 2 emergency placement homes would be £505k per annum. The average cost of a placement equates to £4,843 per week. This includes staffing both properties with 2 staff members. Premises costs include rent, rates and utilities, along with transport and general running and living costs are also included within the budget requirement as well as Ofsted charges to regulate the accommodation.

6.9 There would be one-off set up costs of £63k relating to recruitment and training of staff 1 month prior to the homes becoming operational.

6.10 Funding of the 2 homes would be through the existing £400k emergency accommodation budget and £105k re-direction from the proposed in-house residential saving.

6.11 The current projected cost of emergency accommodation is £732k. Operating the in-house model with employed relief staff compared to externally commissioning agency staff would see an estimated cost reduction of £227k per annum.

6.12 **Capital**

A new capital scheme proposal (£2m) to provide in-house residential accommodation has been included within the 2020/21 budget report for approval by Council in February 2020. This will be utilised to achieve the set-up and delivery model of in house residential and emergency accommodation.

6.13 **Summary**

The annual cost of the in-house residential proposal and emergency care model would equate to £3,258m, funding 16 residential placements and 2 emergency homes. The overall potential future annual saving of the proposal will realise £709k from in-house residential and £227k emergency care, generating an overall annual cost saving of £936k.

6.14 Establishing the new residential provision will require some one-off set-up costs estimated at £262k. These costs are taken into account within the whole programme and timescale of developing the provision and the savings that will be generated as the new facilities become operational.

6.15 The scheme will be funded from a combination of capital and revenue resources that are assumed within budget plans. The specific funding and technical financing details of the scheme will be determined based on the delivery choices taken in relation to the accommodation based on availability and suitability to meet the needs of the strategy e.g. rent or purchase.

7. **Legal Advice and Implications**

7.1 Sections 22A to 22D of the Children Act 1989 make provision for the accommodation and maintenance of a looked after child. They provide the framework within which decisions about the most appropriate way to accommodate and maintain the child must be considered. The duties and powers of local authorities to provide accommodation under sections 20 and 21 of the 1989 Act are not affected by these provisions.

7.2 Where accommodation is provided and there is an element of care being given, the provision must be registered and therefore regulated by Ofsted; this is irrespective of the length of the provision provided.

7.3 Section 63 of the Children Act 1989 states that 'no child shall be cared for and provided with accommodation in unregistered children's homes.' Where an unregistered children's care home provides care and accommodation to a child, the person carrying on the home commits an offence. It will be necessary for any provision to be registered.

7.4 For clarity, there is provision in law to place a child in an unregulated placement; this is usually where a child (aged over 16) needs support to live independently rather than needing full time care.

7.5 In order to reduce the risks of any legal challenge, the Council needs to ensure that it fully complies with all relevant legislation and properly consults in relation to any proposals set out in this report.

8. **Human Resources Advice and Implications**

8.1 A full recruitment campaign will need to be undertaken to recruit the relevant staff within the agreed staffing structure for the residential project.

This will need to include, drafting and evaluation of Job Profiles that incorporates the flexibility that may be required within the role across the service, targeted advertising campaign and assessment centres. This process including any notice periods will take between 4/6 months, which has been factored in the implementation plan.

It is key that a successful recruitment process attracts the right managers and staff with the relevant qualifications and skills, for the effective implementation of new provision.

9. **Implications for Children and Young People and Vulnerable Adults**

9.1 Implications to vulnerable children and young people are covered within the report.

10. **Equalities and Human Rights Advice and Implications**

10.1 See Appendix for Part A of the Equality Impact Assessment. Part B will be completed 2/3/20 post Cabinet Approval due to the requirement for public consultation.

11. **Implications for Ward Priorities**

11.1 Ward Councillors will be briefed and consulted as part of the implementation process.

12. **Implications for Partners**

12.1 Education, Police and Health partners will be significantly involved in the implementation process and will contribute to the effective delivery of the proposal

13. **Risks**

13.1 This report relates to two key corporate risks for the Council – the risk of safeguarding failure and the risk of inspection failure in Children’s Services.

The proposal will help improve support for some of the most vulnerable young children and young people in the borough. In addition, this work should reduce the risk of inspection failure in children's homes and help to improve the overall rating for services for looked after children.

Key operational risks include the risk of not be able to recruit the required qualified and experienced staff, timeliness of Ofsted registration and ability to identify and acquire properties that meet the specification. All these risks if realised could cause delay to the overall implementation timescales.

14. **Accountable Officers**

Sally Hodges, Interim Strategic Director of Children and Young People's Services

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	03/02/20
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	03/02/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	03/02/20

Report Author: Jenny Lingrell, Joint Assistant Director of Commissioning, Performance & Inclusion
01709 254836 or jenny.lingrell@rotherham.gov.uk

William Shaw – Head of CYPS Development Programmes
william.shaw@rotherham.gov.uk

This report is published on the Council's [website](#).