

# BRIEFING PAPER

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**SUBJECT:** LOCAL PLACEMENT PLAN – CHILDREN’S RESIDENTIAL HOMES  
**DATE:** 12 MARCH 2020  
**RECIPIENT:** OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

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## THIS IS NOT A DECISION PAPER

### SUMMARY:

At the 17 March Cabinet meeting and 18 March Council meeting a proposal to introduce City Council owned and managed residential homes for children and young people who require such placements will be considered. If approved the service would be authorised to execute a plan to purchase suitable buildings and develop council managed residential homes, including recruitment of staff and registration with Ofsted. The placements would be suitable for looked after children between the ages of 10-18 years old who require specialist and local residential placements.

The Local Placement Plan will support the delivery of the council’s outcomes, namely children and young people get a good start in life. Evidence identifies that most young people prefer to live locally and that their outcomes are often improved when local placements can be made. As corporate parents of the young people who may be impacted by these proposals, it is our responsibility to ensure we provide the best possible care for these young people.

### BACKGROUND and BRIEFING DETAILS:

1. Southampton City Council had seen a significant increase in the numbers of children coming into care over the five years 2010 - 2015. Whilst the number has been steadily reducing through a persistent focus on achieving permanency, the rate (105 per 10,000) is still higher than would be anticipated for a city of Southampton’s size and demographic (the average rate for our statistical neighbours being 69 per 10,000). At the time of writing the number of looked after children remains just below 500. A small number of looked after children require residential placements due to their needs.
2. The city does not have enough residential care provision and what exists is delivered by the independent sector. This means that children who require residential provision are often placed out of area. As at March 2019, the Council had approximately 31 children placed in independent residential accommodation at a total cost of £4.6M, (equating to an approximate average of £148,000 per child). This had increased to 34 children being placed in residential care at 31/1/20 with an acceptance that between 34-40 children will be placed in residential care over the next year.
3. Care packages have been increasing on an annual basis and due to the demand for placements, private providers can refuse placements if additional support fees are not agreed, knowing that the local authority is unlikely to be able to source another placement. Once a child is in placement it is very difficult, and sometimes impossible,

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for the local authority to argue against increased support fees which has directly impacted the External Placement Budget in the current financial year. A significant proportion of the children in residential provision are placed more than 50 miles away from Southampton, which is both detrimental to children and young people who subsequently find it harder to maintain networks and stability, as well as presenting a financial and time pressure for the Council.

4. Southampton City Council has a statutory duty under the Children Act 1989 to ensure there are enough local placements to support children in care remaining as close to their home and community as possible. Children and young people in the care of Southampton City Council require a range of placements to meet their needs. These placements include residential child care used for children and young people who struggle to manage relationships, as well as those who are needing an emergency placement but due to the lack of foster care placements, end up being placed in a residential facility.
5. In line with the report recommendation it is suggested that SCC pursue the option to develop in-house council owned and run residential homes for young people aged 10-18.
6. Good practice suggests that modern children's homes are based on a model of care which is as close to family life as possible; with a regular staff team skilled in working with children & young people who present with attachment difficulties and other challenges arising from adverse childhood experiences. Due to this it is suggested that SCC follow a similar approach to other Local Authorities who also have their own residential homes which receive either good or outstanding Ofsted Inspections and use a model which sees the development of small 2 bedded units which feel like family homes for the young people.
7. In total it is suggested that SCC develop five two bedded children's homes and one four bedded crisis intervention centre in Southampton. This would require the purchase and renovation of existing buildings. In total this would provide 14 placements for children and young people. This will not fully meet SCC's current demand but focus on ensuring best interests of children and young people are met in the future. This means we will not change placements of all young people currently placed out of area and it should be noted in some cases, out of area placements are required for young people. In the future SCC expects to commission both internal and external placements.
8. It is proposed that the introduction of the homes is undertaken in three phases to ensure attention to detail is given to each home, allowing for induction and embedding of the model of practice which will minimise any delay in registration of the homes by the regulator.

## Phase 1 - FY2020-2021

Home 1 – medium-long term stay 2 bedded house

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Home 2 – Emergency/Crisis unit – 4 beds

## Phase 2 - FY2021-2022

Home 3 - medium-long term stay 2 bedded house

Home 4 - medium-long term stay 2 bedded house

## Phase 3 - FY2021-2022

Home 5 - medium-long term stay 2 bedded house

Home 6 - medium-long term stay 2 bedded house

9. Extensive consideration has been given to the governance arrangements for these proposals. This includes external governance from Ofsted and the legal registration process regarding this including visits by independent persons. A number of internal mechanisms for governance will also be put in place to align with corporate parenting responsibilities and management assurance. Full details of governance proposals are shown in the business case (Appendix 1).

## **RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:**

### **Capital/Revenue**

10. There are both capital and revenue implications for this proposal. A more detail breakdown in shown in Appendix 1. Costs stated below have been compared to current costs of external placements and have identified reduced costs.
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A summary of costs by phase is as follows:

### **Phase 1 (1 two bed unit and 1 four bed unit) 2020-2021**

Capital Costs – 981,500

Revenue Costs – 686,200(part year costs)

Thereafter, annual running costs these 2 unit is £1013,000

### **Phase 2 (2 two bed units) – 2021-2022**

Capital Costs – 665,000

Revenue Costs – 1,051,700

Thereafter, annual running costs for these 2 units is £827,600

### **Phase 3 (2 two bed units) – 2021-2022**

Capital costs – 665,000

Revenue Costs – 411,700 (part year costs)

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Thereafter, annual running costs for these 2 units is £827,600

Additional cross unit staffing revenue costs: £212,600

Total Capital Investment requires - £2,311,500

Revenue costs FY 20/21 - £686,200

Revenue costs FY21/22 - £2,476,400

Revenue costs FY 22/23 - £2,880,800

## **Property / Other**

12. This proposal will see SCC purchase 6 new properties with Southampton boundaries. These will comprise of 5 properties which will contain 2 placements and 1 property which will contain 4 placements.
13. Some initial checks have been completed to see if SCC already has suitable properties which are available however none have been identified at this stage which explains why this proposal seeks to gain new properties. Details regarding financial implications for building related costs can be found in Appendix 1.

## **Legal Implications – Statutory power to undertake proposals in the report:**

14. SCC has a statutory duty under the Children Act 1989 to ensure there are enough local placements to support children in care remaining as close to their home and community as possible.
15. The proposals are designed to meet local authorities statutory duties as outlined in the relevant children's legislation and the proposals go further to align SCC with other highly performing local authorities, according to Ofsted standards.
16. The council has the power to acquire property by agreement from which to deliver services required for the discharge of its functions under s.120 Local Government Act 1972 subject to the duty to exercise best value in the acquisition terms

## **Other Legal Implications:**

17. The proposals have been fully assessed in accordance with the Council's statutory duties under the Equality Act 2010, including the Public Sector Equality Duty. A detailed Equality and Safety Impact Assessment with mitigation and remediation measures is included with this report and will be reviewed and updated throughout the engagement activities as proposals are implemented in accordance with the Business plan.
18. In accordance with Ofsted regulations the proposed homes will be regulated according to the Care Standards Act 2000. This Act ensures staffing, policy, placements and allocations decisions are made in alignment with statutory duties.

## **Risk Management Implications:**

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19. The most significant risks at this stage of the project are:
- Funding approval – this is being mitigated by a full business case having been developed to justify decision.
  - Placement matching leading to home not being fully occupied – this is mitigated by only having 2 bed units and focusing on outcomes for young people.
  - Community resistance – this is mitigated by having dedicated resources already identified to work with key stakeholder to ensure concerns are alleviated.
  - Ofsted registration – this is mitigated by continued engagement with Ofsted which has already begun.
  - Reputational risks – this is mitigated by a robust management and governance structure being agreed before proposals implemented alongside a rigorous approach to recruitment

## **Policy Framework Implications:**

20. The recommendations in this paper support the delivery of the council's goals of 'Greener, Fairer and Healthier'. They also contribute to the Children & Young People Strategy (2017-2020). The proposals specifically support the council's goal that 'children get a good start in life.'

## **Appendices/Supporting Information:**

1. Appendix 1 – Business Case

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