



Proposal no.	CS003
Directorate	Children's Services
Service Name	Children's Social Care
Area of Service	Residential

Subject:	Proposal to Reduce Children's Residential Care costs	Cabinet Member:	Cllr Donna Martin
Report of:	Director of Children's Services		

1 Proposal

- 1.1 It is recommended that members consider the following proposal.
- 1.2 Changes to residential care services to create an expected saving of £200k.
- 1.3 Change the statement of purpose of one home to focus work with young people on the edge of care and those whose placements are at risk to further reduce costs.

Reason for recommendation

- 1.4 A review of residential services across the borough has taken place in response to Ofsted's report 'From a Distance'. The report outlines the need for local authorities to have sufficient local services to meet the needs of children who are looked after closer to home. The report makes it clear that children who live out of borough do not always have the most positive outcomes from their care experiences due to a range of factors, the most prominent being the limited access to resources that may otherwise be provided to them if they lived locally.
- 1.5 This report prompted research to be undertaken within the borough of the looked after children population and placement types and choices. This showed that many older children had moves due to family and placement breakdown that may have been prevented if additional support had been provided to them, their families and or carers to help them through crisis points and stabilise their home environment to allow them to remain at home or in placement. Moves often resulted in greater cost to the council.

2 Background

- 2.1 On 30th June 2014 there were 532 children who were looked after by the local authority. Of that number, 145 were cared for outside of the Borough Council's resources.
 - 27 within independent Children's Homes
 - 108 within Independent Fostering Agencies
 - 5 in Residential Schools

- 5 in Supported Lodgings
- 2.2 Out of that number 32 were placed more than the recommended 20 miles from home. 102 were placed outside Rochdale of which 65 were placed within Greater Manchester.
- 2.3 Review of residential resources has identified an opportunity to increase capacity of current long term accommodation from 8 to 9 children and young people in 2 Children's Homes. This reduces unit costs and expenditure on external provision. By reviewing current work/shift patterns across the service the service is able to further increase value for money.
- 2.4 A report completed around commissioning of external placements shows within the first quarter of this financial year 14/15 there were 27 new placements. Whilst this is lower than previous periods and the overall looked after children population has fallen by 30, the current trend is for external placement requests to be made due to internal placement breakdown and lack of internal provision for those coming into care due to family crisis.
- 2.5 This report highlights the need for a more preventative and therapeutic service within Rochdale to ensure greater placement stability thus reducing the need to commission external placements at additional cost to the authority.
- 2.6 If the current trend continues then the projected figure for placements outside the borough over the coming year would be 108 (a significant improvement on the 224 in 2012/13). Given that 48% eventually return to live with their family, a better use of the short term residential unit would be to work with those young people on the edge of care, offering intensive support in the form of a short break service and direct intervention with them and their families or carers to prevent/family relationship or placement breakdown and reduce the number of young people entering the care system or moving to higher cost placements.

Alternatives considered

- 2.7 There were 4 proposed options for Children's Residential services:
- Option 1 is to make no changes.
 - Option 2 is to commission short term emergency placements within the borough from a private provider and close the current short term / emergency provision at Remodelling the other 2 children's homes would allow them to specialise in more specific areas, such as preparation for leaving care and step down to foster care.
 - Option 3 is to change the function of the current short term facility and focus on providing short breaks with an intensive support and intervention package as outlined above. In addition to remodelling the other 2 children's homes to provide a step up and step down approach to foster care and where appropriate, provide permanence through to independence.
 - Option 4 is to commission all services externally. This would be in conflict with the expectations of Ofsted that local services should be provided. It would also cost

more.

- 2.8 Members could decide not to take the proposal forward and identify alternative savings proposals.

3 Financial Implications

- 3.1 Option 1 would lead to continued demands for placements and the high costs to the council would not be reduced. Given that almost half of young people in the older age group who come into care eventually return home, this could not be seen as a good use of public finance.
- 3.2 Option 2 would initially provide a saving of £480k which is the current budget of a children's home. Privately purchasing this number of placements externally however would cost an average of £625k. Such an approach would not slow down the demand of young people coming into care, so the higher commissioning cost could also continue to rise over time.
- 3.3 Option 3 offers a more effective preventative option in stabilising family life and placement continuity by providing a positive support service, addressing the difficulties at source and building community based capacity to support a larger group of young people at lower cost. Whilst it would provide minimal immediate savings from shift and timetable changes, this option represents the greatest opportunity to change practice and culture and deliver better long term outcomes for young people.
- 3.4 Other councils that have adopted this way of working have reduced numbers of young people in care (particularly in the older, more costly age group). This presents a good opportunity to deliver further future savings but at this stage the amount is difficult to quantify, in light of other planned cost and placement reductions to which the service is already committed.

The table below reflects the initial savings that can be made, and represents 2% of the placements budget.

	Savings 2015/16 £k		Savings 2016/17 £k		Total savings £k	
	On-going	One off	On-going	One off	On-going	One off
Employees						
Other Costs	100		100		200	
Income lost						
Net savings	100		100		200	
Additional income generated						
Total savings	100		100		200	
Implementation costs						
Total savings less implementation costs	100		100		200	

Financial and potential staffing impact on another service

- 3.5 The proposal to make the above changes will result in an overall saving strategy for the wider authority as there is an agreed necessity for external placements to reduce in cost and number. At this stage it is not possible to quantify the additional amount this may save but such an approach is an important element of the transformation programme.
- 3.6 The proposal will have an impact on staff involved in the service change through changes to working patterns as the staff currently delivering services will simply deliver a different kind of provision in future.
- 3.7 The Fostering service will benefit from such changes as foster carers will be provided with additional support and capacity to fulfil their role. This will promote carers longevity in the service. This should in turn mean less placement breakdowns reduction in crisis management and disruption and referral to external (higher cost) fostering providers.

Voluntary Sector financial impact

- 3.8 There is no anticipated impact on the voluntary sector.

Asset implications

- 3.9 There are no anticipated asset implications at this stage.

4 Legal Implications

- 4.1 All children's homes are regulated by Ofsted.
- 4.2 The home that will increase capacity is already registered for 5 young people so there are no legal implications arising from this change.
- 4.3 The statement of purpose and function of the home that becomes a provider of intensive community based / short break support will need to change. However, this service is already registered and regulated by Ofsted as a children's home so no major changes are required.
- 4.4 The council must ensure that it remains open minded throughout the consultation period to all alternative proposals and expressions of interest.

5 Personnel Implications

- 5.1 Formal consultation with staff affected by any changes will be required.

6. Risk Assessment Implications

- 6.1 The Local Authority has a statutory duty to provide care and accommodation to children and young people who are assessed as needing this and for those who the court has made a determination around their care. They also have a duty to provide sufficient accommodation within the borough to meet the needs of young people in need of such services.

- 6.2 It is essential that the LA ensures provision meets the needs of children and families in a way that promotes permanency and prevents those children who should not be looked after from becoming looked after, but are provided with more appropriate forms of intervention and support. Such an approach will require a cultural change which will not happen overnight.
- 6.3 The risks in making such changes with a net loss of 2 short term / emergency placements will be around the ability of the children's homes to be able to deliver such a specialist service that is both creative and challenging which can be solution focused and reduce placement disruption and family stability in a time frame that meets need and prevents continued demand for the type of provision that has been delivered previously. Continued demand to meet the needs of young people already in crisis could result in double costs in the short term.

7. Equalities Impacts

Workforce Equality Impacts Assessment

- 7.1 There are no workforce equality issues arising from this report.

Equality/Community Impact Assessments

- 7.2 There are no (*significant*) equality/community issues arising from this report.

8. Consultation

Informal consultation around these changes has already taken place with the following groups and has been positive but formal consultation in relation to the proposals will also need to take place:

- Children and young people
- Residential staff
- Social workers
- IRO's
- Parents
- CAMH's
- LAC health
- Education professionals
- Ofsted

EQUALITY IMPACT ASSESSMENT FOR SAVINGS PROPOSALS

<p>1. Please state the name of the officers leading the EIA.</p> <p>Adele Ion</p>
<p>2. Who has been involved in undertaking this assessment e.g. list the stakeholder groups which have been involved?</p> <p>Cared for Children, Head of Service</p>
<p>3. What is the scope of this assessment?</p> <p>The scope of the equality impact assessment is to consider the potential equality impacts for carers and young people arising from the following options to;</p> <ol style="list-style-type: none"> 1. Commission a private provider to provide emergency provision and close and remodelling the remaining 2 children's homes to offer a more specialist service such as preparation for leaving care and step down to foster care. 2. Change the function of to offer short breaks and an intensive family support service and remodel the other 2 children's homes as set out above. <p>Or to</p> <ol style="list-style-type: none"> 3. Commission all residential services from private providers.
<p>4 a). What does the function currently do? b). Describe the needs which this service meets?</p> <p>Residential Services provide a specific service for children and young people who have been assessed as being unable to live within their family or a substitute family resulting from their individual needs assessment.</p>
<p>5. What proposed changes do you wish to make?</p> <p>The proposed changes relate to service delivery of the children's homes to increase capacity in some areas so that more children and families can access services and support. This would involve the removal of an 'assessment unit' via in preference to an assessment within the child's family setting. In addition this would offer a package of support which included a short break and family support – the intention being to prevent the escalation of need which 'demands' a child becoming looked after. Furthermore, there would be the removal of a less specialist provision through the remodelling of the remaining 2 children's homes. However, it is anticipated in such situations the respective young people would either be able to live within a family setting (birth or substitute) or through better commissioning arrangements with local providers.</p>
<p>6. Who are the key stakeholders who may be affected by the proposed changes?</p>

Children and Young People who live in Rochdale and are in crisis and need of support
Children and Young People who are looked after by Rochdale and currently live within one of the 3 children's homes
Children's Services staff
Partner agencies i.e. health, education and Police.

7. What impact will this proposal have on all the protected groups?

The majority of young people admitted to the care of and within the current children's homes are as a result of family or placement breakdowns and are teenage males. Consequently it is anticipated the proposals will enable young people to have better access to family support and short break services to enable them to live within their birth family and/or placement without unnecessary disruption.

With regard to those young people whose needs do not require specialist services as proposed, it is anticipated their needs will be met via better commissioning of local providers of which there are currently 43 in the Rochdale area.

Race Equality

There will be no significant impact upon race equality for the proposed changes. The changes will mean that children and their families may continue to engage with and access a service that is within their own demographic area.

Disabled People

Current policies, procedures and legislation will continue to be applied and adhered to. Changes proposed will not impact on this group currently.

Carers

Current policies, procedures and legislation will continue to be applied and adhered to. Changes proposed will not impact on this group currently. Maintaining local residential provision will ensure that children may be accommodated within their own borough and closer to their families.

Gender

Current policies, procedures and legislation will continue to be applied and adhered to. Children's homes are registered to provide care and accommodation for children of both sexes and no changes to this are proposed.

Age

This service provides care and accommodation to children of a mixed age group and may only provide care and accommodation to young people from the ages of 11 to 17 years, this is stipulated by the regulatory body Ofsted and is regularly monitored and assessed by them for appropriateness of this age range.
The changes proposed do not make any significant difference to current arrangements.

Armed Forces and Ex-Armed Forces Personnel
There is no impact noted for this group.
Religion or Belief
Children's homes provide accommodation to children from diverse backgrounds and will continue to do so. All staff have appropriate training and a mix of skills and personal knowledge in this area which they apply to their practice and support of young people. This will continue.
Sexual Orientation
Rochdale's children's homes support children with a range of specific needs and changes to this service will not impact on the needs of young people, staff or carers around sexual orientation. Current policies and procedures within the home would be applied to promote the diverse needs of all children. Employees and carers.
Gender Reassignment
There is no impact upon this aspect under the proposed changes.
Pregnant Women or Those on Maternity Leave or Those who have given Birth in the Previous 26 weeks
Current policies and procedures would be adhered to and changes would not have any negative impact upon this.
Marriage or Civil Partnership
Current policies and procedures would be adhered to and changes would not have any negative impact upon this.
8. Conclusions and Recommendations
What are the main conclusions from this analysis?
The proposal for residential services sets out a range of options and whilst each one is different in presentation essentially they all point to a variation in the function of This is to move away from an assessment centre to improving the offer and support to young people remain within their family or placement. Consequently the impact from this is principally positive. Similarly the change in function for the remaining 2 children's homes will offer a provision that is more local for children with complex needs and whilst this may seem to reduce the 'offer' for children with less complex needs, a better commissioning arrangement with local providers will ensure their needs are met. The same would apply to a proposal that results in the closure of all 3 children's homes, although this would reduce provision and potentially be more expensive for RMBC.
What are your recommendations?
It is recommended there should be a consultation exercise undertaken and on completion the

'preferred' option be subject to a specific and fuller equality impact assessment.

What evidence do you have which demonstrates that these measures will be effective?

The mitigation set out in section 7 identify that any one of the proposals would not be negative for the young people and their family who live in Rochdale.

9. Please provide details of who you will consult with on the proposals and the methods which you will use to consult. State your consultation and inclusion methodology.

The Consultation and Inclusion Methodology Used.

Consultation will be undertaken with the following groups;

- Children and young people
- Residential staff
- Social workers
- IRO's
- Parents
- CAMH's
- LAC health
- Education professionals
- Ofsted

This will be via focus groups, website and letters. In respect of Ofsted subject to proposals this will be a formal written report and proposal because any change to the function of a children's home has to be assessed and approved by Ofsted as the agency regulator.

10. Produce an action plan detailing the mitigation measures that you propose to put in place to address any adverse impacts.

This section will be completed following the consultation process.