

**Cabinet: 16 June 2021**

**Redesign of Children's Homes Service**

**Portfolio:** Councillor Wilson - Cabinet Member for Children's Services

**Related portfolios:** None

**Service:** Children's Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

**1. Aim**

- 1.1 Provide Walsall's Looked After Children with improved opportunities to live, grow up and go to school in Walsall
- 1.2 Increase local placement sufficiency and accommodate the changes in legislation expected in September 2021.
- 1.3 To prevent placement disruption, which has a huge impact on children and young people and increases costs to the Council.
- 1.4 To promote placement stability for a greater number of children within Walsall where they can access local schools, health and leisure services and maintain ongoing relationships with their families and communities.
- 1.5 A skilled, experienced and committed residential workforce who can manage the needs of our more complex young people far better than any private provider.
- 1.6 The ability to support our young people to achieve permanence and develop their independence skills whilst remaining in a Children's Home. This is especially important for our young people who may have additional needs and who need a more robust and supported approach to their preparation for independence which is often not available with other supported accommodation providers.

**2. Summary**

- 2.1 The report sets out the rational and business case for the growth in children's homes and improving outcomes for Walsall's Looked after Children. This involves capital investment for the acquisition, adaptation and equipping of 2

appropriate properties in Walsall to establish 2 new Children's Homes. A provision for general repairs and maintenance of the asset has been allocated within the ongoing revenue budget set out below in paragraph 7.3. If there were any requirements for significant repairs in future years, a capital bid would need to be submitted.

- 2.2 The Council has a corporate responsibility for looked after children and as such, the social value aspect is about improving the life chances of these young people so that they can develop into responsible Walsall residents.
- 2.3 A review of Walsall's Children's Homes provision was undertaken in 2020 as part of the New Ways of Thinking Framework, to enable the Local Authority to understand the benefits, costs and opportunities of increasing the number of internal children's homes for Walsall's Looked After Children.
- 2.4 Walsall, along with all other local authorities, is facing a crisis with its ability to place vulnerable children and young people in safe, secure and permanent residential placements. The escalating costs of external residential placements along with the lack of choice for Walsall children and young people means that the health, emotional well-being and short and long-term safety of our most vulnerable children and young people are significantly compromised.
- 2.5 The outcome of the Review recommended a redesign and diversification of the Children's Homes that would afford Walsall's Looked After Children with an overall experience better to that on offer if they were to live in an external Children's Home. The review concluded that we establish two three bedded children's homes with the agreement of the Children's Services Directorate Management Team.
- 2.6 The report setting out the proposal was considered by the Strategic Investment Board in April 2021. The Board endorsed Children's Services seeking approval from Cabinet for the capital investment to achieve this plan subject to the business case being completed. The service would need a total investment of £1,071,000 for this plan.
- 2.7 As the amount of financial support being requested is above the threshold of £250,000, this is a **Key Decision**.

### **3. Recommendations**

1. It is recommended that Cabinet approves the capital budget of up to £1,071,000 funded from the pipeline investment fund included within the Council's approved 2021/22 capital programme to allow for the acquisition, adaptation and equipping of 2 appropriate properties in Walsall.
2. It is recommended that Cabinet delegates authority to Executive Director for Children's Services in consultation with Portfolio Holder to acquire 2 appropriate domestic residences.

3. It is recommended that Cabinet delegates authority to the Executive Director of Children's Services to agree and commission appropriate works to deliver required adaptations to newly acquired properties to create 2 children's residential homes in Walsall.

#### **4. Report detail – Know**

- 4.1 Walsall Council owns and operates four Children's Homes for children and young people requiring residential care. Three of these Children's Homes are registered with Ofsted to provide care and accommodation for up to 12 children and young people of either gender between the ages of 8 to 17 years. The fourth Children's Home, Bluebells, is registered with Ofsted to provide short periods of residential care for up to six young people who have physical and/ or learning difficulties.
- 4.2 In March 2020, Lichfield Road Children's Home was temporarily closed, following the natural movement of children from the home and whilst the review of Walsall's internal residential provision was undertaken. The staff team were temporarily relocated to Hilton Road and Redruth to offer additional resilience during the pandemic and address staffing shortfalls. In November 2020 Children's Services Directorate Management Team agreed to cease operating the Children's Home at Lichfield Road and deregister this with Ofsted; this was due to the building's unsuitability as a children's home, its location, layout, and cost to improve. The Lichfield Road property will return to the Corporate Landlord for disposal or repurposing.
- 4.3 As at April 2021, the Corporate Landlord, estimated the value of sale of Lichfield Road at £320K, an increase of £75k from the valuation of April 2016. This increase in valuation is in line with the average price trend for terraced houses in the area and was based upon the sales prices of 5 properties on Lichfield Road, which have sold in the last 18 months. The valuation also takes into account the need to address any cosmetic renovation.
- 4.4 In 2020, a review of Walsall Children's Homes was undertaken in respect of the three children's homes. Bluebells was excluded from this review as this provision was reviewed in 2019 and offers short term breaks to children with disabilities. As part of the New Ways of Thinking Framework, the review focused on the benefits, costs and opportunities to increasing the number of internal children's homes for Walsall's Looked After Children.
- 4.5 The outcome of the Review recommended a redesign and diversification of the internal Children's Homes for an alternative and forward thinking option for the future service delivery of residential care provision for children in Walsall.  
This proposal would see the disposal of one of the existing children's homes (Lichfield Road), and the establishment of 2 children's homes for up to three children each. This will include acquisition of two suitable properties (4 or 5 bedroomed) for the redesigned service.

- 4.6 The Council's looked after children population has increased and continued to grow with a net increase of 57 children in 2019/20 with 671 children in care compared to 2018/19 when there were 614 children in care. During 2020/21 children in care increased to a peak of 693 in August 2020 reducing to 670 by March 2021. Overall, this represents an increase of 9% since March 2019. This increase is higher than the national rate and demand for placements is at critical level, with a shortage nationally of residential provision. The market is saturated with high numbers of local authorities in competition for every bed across the country.
- 4.7 In September 2021, the Government will be introducing new legislation, prohibiting local authorities from the use of unregulated accommodation for children under the age of 16 years. Increasing sufficiency internally will enable us to secure appropriate accommodation for children experiencing disruption who are under the age of 16 years who may be left with no available placement.
- 4.8 The Council is required to provide children who are looked after with accommodation that meets their holistic needs. Should the Council be unable to provide suitable accommodation we would be failing in our statutory duties as set out in the Children Act 1989 and 2004, and Care Planning Regulations 2010.
- 4.9 Pressures on the Placements costs is high and the total cost of external residential placements in 2020/21 was £9.323 million. Placement sufficiency is impacted locally and regionally as residential provision for children with complex needs is not readily available. The Council is finding it increasingly difficult to place children, particularly those with more complex needs which has meant some children are placed at distances as far as Scotland and London and experience a number of moves. Over the last 12 months there have been particular challenges for children between the ages of 8 and 10 years who have been placed in residential care.

#### At May 2021

- 38 % of children in care are aged between 10 and 15 years at May 2021.
  - 9% of our children live in residential care (60).
  - 6 children in residential care under the age of 10 due to complexity of need.
  - At December 2020, 16.2% of the children were placed more than 20 miles compared to 12.7% in April 2020, reducing to 14.2% in April 2021.
- 4.10 Increasing Residential provision specifically targets 2 cohorts of children

- Where short term care is required providing a holistic multi-disciplinary assessment and intervention with a view to stepping children back into family settings or down to a foster placement.
- 2 or 3 bedded provision for children with highly complex needs. Some children need to be cared for in small group settings and do not cope in families or larger group living. This is the group of children which are most at risk of placement breakdown and high cost placements.

#### 4.11 Rational for change

- The majority of our Looked After Children who live in external Children's Homes live in similar size homes.
- The internal residential Children's Homes have the experience, knowledge, skill and ability to meet the needs of the children who live in these homes. Walsall's three children's homes have a good track record in providing "Good and Outstanding" care to our most vulnerable children and young people. Many children living in a Children's Home will have complex needs that can present as a challenge to them living with family members or Foster Carers.
- We have experience of children stepping down from residential care to foster care.
- For most children, it is better for them to live, grow up and go to school in a community they identify with and closer to their families offering continuity of education and health care.
- Abrupt endings are extremely rare and placement stability for children living in our internal Children's Homes is good, as is access to and the uptake of education, mental health and other health appointments.
- We will have total influence over the decisions about which children we believe are best suited to living there; this is not the case when we arrange for our children to live in an external Children's Home.
- We will be able to secure appropriate therapeutic and timely support from local health services.
- The outcomes for children in our homes are better as they are not disrupted by the demands of the private sector nor would the LA be subjected to increasing staffing costs when the children's needs fluctuate.
- By operating a three-bedded Children's Home, we retain the flexibility to meet the needs of our children with the scope to reduce to caring for two children for the period required to meet the needs of children.

- The purchase of properties that are fit for purpose, meet service requirements and the retention of capital assets which may well appreciate in value over time.

4.12 Proposed Redesign: The proposals for a redesigned Residential Service are to:

- Maintain the existing Children's Homes at Hilton Road and Redruth.
- Disposal or repurposing of Lichfield Road Children's Home.
- Create two, three bedded Children's Homes, on a phased basis, to provide care for those more complex, hard to place and therefore more costly placements. The homes will also provide care for those young people whose placements are disrupting and no other placement is available. The homes will also work with children to enable them to return back to their family or a foster family.

**Phase 1** Home one: 3 bedded short stay assessment home for children where there is a high likelihood of them being able to return home or step down to foster care or children who require a period of assessment, so that the most appropriate placement can be identified on a planned basis. The home would support intense work with the family/foster family to effect positive transitions, with a focus on intensive multi-disciplinary assessment and interventions.

**Phase 2** Home two: For up to 2 or 3 children with complex needs. The Home will have the flexibility to care for up to three children but having the capacity to care for 2 children on a long term basis where this is required to allow children to be cared for with higher levels of support and supervision.

4.13 The proposed 2 Children's homes will meet the needs of those children who require residential care because of complex need, including;

- Children with ASD/ADHD often where their mental health and emotional well-being presents as challenging behaviours.
- Younger children whose early childhood trauma has impacted on their emotional well-being and behaviour.
- Children who are regularly missing and at risk of sexual and criminal exploitation.

4.14 Placing a child outside of their birth family is a complex task. It creates extensive work for children's services, it can create anxiety for the birth family and most importantly it can create considerable stress, fear and anxiety for young people. The complexity of our young people can mean that for some young people, they will experience multiple placement moves all over the country often at very high cost.

- 4.15 Each of the two children's homes will care for up to three children operating in a way that more closely resembles family life, where shared activity is paramount, where the creation of close nurturing relationships is emphasised and where the risk of institutional life is eliminated, or at least significantly minimised. These will be homes where adults and children interact continuously, where menus are planned and food is cooked together, where individual and group activities are negotiated and undertaken, where pride and ownership of the Home is jointly shared and where there is shared responsibility for upkeep, maintenance and neighbourliness.
- 4.16 The private providers market, whilst offering placements to children and young people, are also subject to the same external scrutiny from Ofsted as Local Authorities. The advice from central government is that Local Authorities should only place children in Good or Outstanding children's homes. The impact this has had for private providers is that they are reluctant to accept placements for more challenging children who may create disruption in the home, cause damage, pose a threat to other young people and staff and who are involved in criminal activity. The impact this has for local authorities is that they are often faced with paying extremely high costs to secure a solo placement and to secure additional staffing.

## **5. Council Corporate Plan priorities**

- 5.1 The Walsall Right for Children Transformation Programme contributes to a number of our Council Corporate Plan priorities:

### **a) People**

We do and will continue to work with children, young people and their families to ensure they have increased independence, improved health, and can positively contribute to their communities.

### **b) Internal Focus**

The programme is focused on a change of working, to ensure that within Children's Services we are as efficient and effective as we can be.

### **c) Children**

The primary objective is to ensure that the right support is in place so that children in care can have the best start and are safe from harm, are happy, healthy and learning well.

- 5.2 This proposed service development would make proactive contributions in a number of areas of Council priority. At a direct level, the newly configured arrangements will have immediate and sustainable impact to outcomes for children in care. The new model will provide improved quality of accommodation in established residential areas with good access to transport and easy availability of community resources and activities. This will enable our children to be in a better position to make positive contributions to both their own lives and the

wider communities in which they live.

## 6. **Risk management**

- 6.1 The Steering Group responsible for the implementation of the redesign of Children's Homes is chaired by the Director of Children's Social Work and meets on a monthly basis and includes colleagues from Finance, Corporate Landlord and Asset Management to progress actions and manage identified risks.

A project risk register has been established for the project and provides updates on progress, identified risks and mitigation. Risks will continue to be identified, mitigations sought and impact managed through this process.

The progress of the project will report to the Children's Services Directorate Management Group and Capital and Asset Board and will not proceed without their approvals.

## 7. **Financial implications**

- 7.1 **Capital costs:** It is estimated that capital budget of up to £1,071,000 will be required to fund the costs of purchasing 2 Children's Homes based on the assumption that the current average cost of a four/five bedroomed house in Walsall is between £350 to £450K.

Capital Costs	£900,000
Planning and Feasibility Study	£1,000
Fit Out (Equipment/furnishings not included in construction)	£100,000
Legal Services at 2%	£18,000
Stamp Duty	£52,000
Total	£1,071,000

- 7.2 The above capital costs will be funded from the pipeline investment fund included within the Council's approved 21/22 capital programme. The decision as to how the capital costs will be financed will be taken by the Chief Finance Officer in year, taking into account all available sources of finance. However, the financial model has assumed that borrowing is required. Minimum Revenue Provision (MRP) for borrowing and interest costs have been built into the financial model and are assumed in the Council's medium term financial plan as part of the pipeline investment fund.

- 7.3 **Revenue Costs:** The two new Children's Homes, are estimated to require ongoing revenue budget (excluding management and overhead costs) of £1.020m. (To note, management and overhead costs form part of the services overall management budget).

Category	Home 1	Home 2	Comment
----------	--------	--------	---------



Staffing	<b>433,809</b>	<b>433,809</b>	Structure per home - 1 x G11, 1 x G9, 8 x G6 + sleep in payments
Supplies and Services	<b>12,200</b>	<b>12,200</b>	Telephones, furniture, professional fees etc.
Food and Allowances	<b>19,340</b>	<b>19,340</b>	Residents personal expenses, allowances and food provisions
Premises	<b>18,891</b>	<b>18,891</b>	Water, gas, electricity, insurance, repairs and maintenance
Borrowing costs	<b>25,902</b>	<b>25,902</b>	Borrowing costs including MRP and interest
<b>Total</b>	<b>510,142</b>	<b>510,142</b>	

7.4 It is proposed that this will be funded from the following sources:

Lichfield Rd 2021-22 budget (excluding Central Budgets) for staffing, supplies and services, food and allowances and premises costs	£464K
Changes in staffing structure to strengthen leadership and management in the existing 3 children's homes and creating additional care staff.	£13K
Realignment of External Placements budget based, as this proposal would create an additional two internal placements (over and above the Lichfield Road's current occupancy) for those in external placements.	£491K
Corporate contribution to borrowing costs and MRP as assumed in the Council's medium term financial plan	£52k
<b>Total</b>	<b>£1.020m</b>

7.5 The proposal is cost neutral through the realignment of the Lichfield Road and External Placements revenue budgets as above. This proposal does not create additional benefits but will support the achievement of the Placement Stability Service Transformation Plan and will be integral to improving outcomes for our children and providing a high quality of care.

7.6 The Placement Stability STP seeks to address the current pressures of placement moves that have historically been experienced. A review of children experiencing moves and cost analysis was undertaken in August 2020. The net increase to costs from 2021/22, for the children experiencing a placement move, is forecast at an additional £1.6m each year, on the assumption that 30 children will experience a placement move as per prior year trends.

7.7 In April 2021, the Children's Asset and Capital Board considered and supported the recommendation to return Lichfield Road to the Council's Corporate Landlord for disposal or repurpose. This property would generate a capital receipt of £320K for the council in the event the property is declared surplus to the Council's requirements and is disposed.

## 8. *Legal implications*

- 8.1 The Children Act 1989 (Section 22(4)) requires the Council to consult with young people and seek their views on decisions affecting them. The proposal will also require formal consultation with staff and their trade unions.
- 8.2 The Children Act 1989 (Section 22G) requires local authorities to provide sufficient accommodation within the authority area which meets the needs of children that the local authority are looking after.
- 8.3 Public authority decision makers are under a non-delegable ongoing duty to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not. (Public Sector Equality duty).
- 8.4 The proposed consultation and resulting equality assessment is intended to enable the decision makers to consider the impact and public response to the proposal and any alternative proposals raised. The product of the consultation must be conscientiously taken into account when the ultimate decision is made.
- 8.5 Section 3 of the Local Government Act 1999 and the statutory guidance issued under it imposes duty on a local authority to make arrangements to secure continuous improvement in the way on which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.6 Regulation 49 Children's Homes (England) Regulations 2015 requires the Responsible Individual and or the Registered Person to give notice in writing to Her Majesty's Chief Inspector of Ofsted as soon as it is practicable to do so if a registered provider proposes to cease to carry on or manage the home.
- 8.7 The Government will be introducing new legislation in September 2021, prohibiting local authorities from the use of unregulated accommodation for children under the aged of 16 years. Children in care under 16 will no longer be allowed to be accommodated in unregulated independent or semi-independent placements.
- 8.8 The Council will comply with relevant legislation in the purchase and acquisition of properties.

## **9 Procurement Implications/Social Value**

- 9.1 Children's Services will ensure that advice will be sought as required from Procurement, where appropriate to ensure that the Council is compliant with any relevant procurement legislation or statutory guidance, mainly Public Contract Regulations 2015.

## **10 Property implications**

10.1 Both the Corporate Landlord and Asset Management are represented on the Steering Group responsible for the implementation of the Project. The project will also report to the Directorate Capital and Asset Board. This ensures that the Corporate Landlord and Asset Management are fully involved and consulted. Their recommendations have been considered by the Children's Services Directorate Capital and Asset Board and will continue to do so in the implementation of this project.

## **11 Health and wellbeing implications**

11.1 Walsall Council is a Marmot Council, meaning that it has adopted a set of evidence based strategic objectives to reduce health inequalities amongst Walsall residents. The proposals in this report have been tested against those objectives. The objectives are:

- Give every child the best start in life.
- Enable all children, young people and adults to maximise their capabilities and have control over their lives.
- Create fair employment and good work for all.
- Ensure a healthy standard of living for all.
- Create and develop healthy and sustainable communities.
- Strengthen the role and impact of ill-health prevention.

11.2 **Social Implications:** This project creates opportunities for children to remain and participate in the life of their community; it also allow them to continue attending the same school. It develops a sense of place and belonging. It improves access to social support, health and community services, such as arts, culture, sport and leisure. It aids inclusion.

11.3 We aspire to look after our children in care within or close to Walsall. This allows for the maintenance of family contact and continuity of both education and healthcare. It also allows for a seamless transition towards independence for those children aged over 16 who will most likely be looking to assume adulthood and settle within the Borough. They will be close to any work experience, training and/or employment opportunities that may become available and will have ready access to their Social Worker or Personal Adviser situated within localities.

11.4 **Economic Implications:** By increasing, the number of Children's Homes operated by Walsall Council from two to four, this generate at least twenty new jobs.

11.5 A large percentage of Walsall's Looked After Children live in a Children's Home which is 20 miles or more outside of their local communities. Where children have moved to live outside of Walsall then this can have an impact in respect of social work and IRO time and expenses, which potentially incurs additional costs.

11.6 Having to move outside of Walsall can lead to a breakdown or strain on longstanding relationships with family, previous carers and friends. It could also lead to excessive travel time to school or possibly a change of school. All these factors will affect the child's emotional wellbeing and their sense of identity.

## **12 Staffing implications**

12.1 The proposals outlined will impact on staff. There may be some staffing reductions and changes to working practice and hours. The proposed model creates assistant managers in each of the existing children's homes and in the proposed two new children's homes. This aims to strengthen leadership and management within each Home.

- We are deleting seven Care Manager posts across Redruth, Hilton Road and Bluebells and creating three Assistant Manager posts (1 per home) and two additional Residential Childcare Worker posts at Redruth and Hilton Road.
- The requirement for housekeeping hours will reduce in the exiting children's homes and will not be required in the new homes.
- The eight x 8 hour per week Residential Child Care Worker posts are proposed for deletion to be replaced with three x 21 hour per week Residential Care Worker posts.

12.2 Trade Unions and staff will be fully consulted on the specific content of the proposals. Any changes will be managed in accordance with the Council's agreement on management of change which aims to manage staffing reductions through management of vacancies, reviews of temporary contracts and avoidance of compulsory redundancies through redeployment or Early Retirement Voluntary Redundancy opportunities where possible.

## **13 Reducing Inequalities**

13.1 An Equality Analysis has been carried out and this is a living document which will be updated as the project develops.

## **14 Consultation**

14.1 All employees who work with the Children's Home Service have had the opportunity to contribute to the Children's Home Scoping Exercise.

14.2 Care experienced children contributed to the initial Scoping exercise, as did professionals from other teams and/ or agencies. Through engagement with the Children in Care Council, Walsall's care experienced children will be consulted on the plans to redesign the Children's Home Service. Children and families will be continue to be involved in the design and delivery of the new homes and will widen to include the community consultation as we identify suitable properties.

14.3 The consultation will inform the EQIA and will Report to the Children's Home Redesign Steering Group, which is chaired by the Director of Social Work.

## **15 Decide**

15.1 The Local Authority has a duty to provide accommodation for children in need, there are significant numbers of Looked after Children living external private for profit children's homes and the rationale for increasing and also diversifying Walsall's Children's Home Service has been set out in this report.

15.2 Under section 20 of the Children Act 1989, the Local Authority must provide accommodation to certain children in need. Section 20 is used to accommodate children who cannot live with their families. When the Local Authority shares parental responsibility through either Interim Care Orders or Care Order, they are also responsible for meeting the child's accommodation needs.

15.3 As of the week commencing 10<sup>th</sup> May 2021, Walsall had 675 Looked after Children of which, 60 were living in a children's home.

15.4 As noted elsewhere in this report, Walsall currently operates two four bedded children's homes. For the purpose of this report, if we focus on the then children living in a Children's Home, assuming 100% occupancy, Walsall's Children's Home Service only covers 15% of this cohort; as such, the majority of these children are living in external children's homes.

## **16. Respond**

16.1 Subject to approval of the recommendation, we will seek to implement the acquisition and purchase of properties for the establishment of 2 children's homes on a phased basis.

## **17. Review**

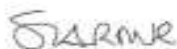
17.1 There is a clear governance structure for the programme, which includes regular data monitoring and scrutiny within the local authority. In March 2021, a Children's Homes Redesign Steering Group was established. The Director of Children's Social Work, Colleen Male, chairs this group which meets monthly and its purpose is to plan and track progress of the redesign project.

## **18. Background papers.**

None

## **Authors**

Jivan Sembi  
Head of Service  
✉ [jivan.sembi@walsall.gov.uk](mailto:jivan.sembi@walsall.gov.uk)



Sally Rowe  
Executive Director

8<sup>th</sup> June 2021

Mark Burrows  
Group Manager – Provider Service  
✉ [mark.burrows@walsall.gov.uk](mailto:mark.burrows@walsall.gov.uk)



Councillor Wilson  
Portfolio holder

8<sup>th</sup> June 2021