

**SUBJECT: Developing children's residential and 16+ supported accommodation placements**

**MEETING: Council**

**DATE: 18<sup>th</sup> April 2024**

**DIVISIONS/WARD AFFECTED: All**

## **1. Purpose**

**1.1** This report sets out our proposed approach for the development of children's residential and 16+ supported accommodation placements based on an analysis of current and predicted need.

**1.2** The report considers two distinct elements of developing placements, these being i) the building-based / accommodation element of the provision; and ii) the provision of direct care and support.

**1.3** The report locates the development of residential and supported accommodation placements within the context of national and local policy objectives.

## **2. Recommendations**

**2.1** Council endorses the approach to developing 'in-house' residential placements and 16+ supported accommodation placements for children who are looked after and young people who are care experienced or homeless.

**2.2** Council endorses the proposal that, in the first instance, Children's Services will look to re-purpose existing assets available to the Council in order to provide children's residential and 16+ supported accommodation placements, subject to appropriate business cases and cabinet approval.

**2.3** Where re-purposing is not viable Council endorses the direct acquisition from the open market of suitable properties or land for the purpose of developing children's residential provision or 16+ supported accommodation, subject to appropriate business cases and cabinet approval.

**2.4** Council agrees that borrowing headroom is increased to up to £3 Million to support the direct acquisition from the open market of suitable properties or land; and / or to support refurbishment or repurposing costs, subject to appropriate business cases and cabinet approval.

**2.5** Council agrees that any decisions to draw on the borrowing headroom for the purposes set out within this report will be made by Cabinet.

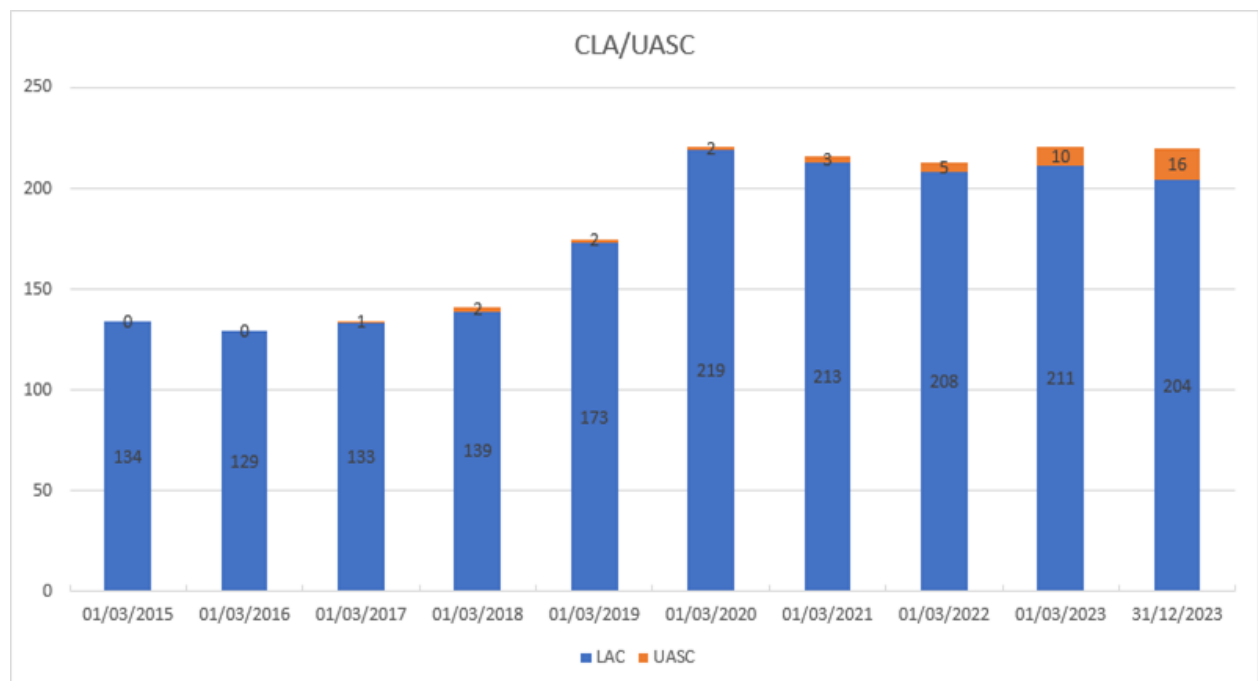
**2.6** Council agrees that a report is provided to Performance and Overview Scrutiny Committee on a six-monthly basis for assurance that we are obtaining value for money with specific acquisitions and that the policy approach is delivering the impact and outcomes expected.

### 3. Key Issues

#### Demand

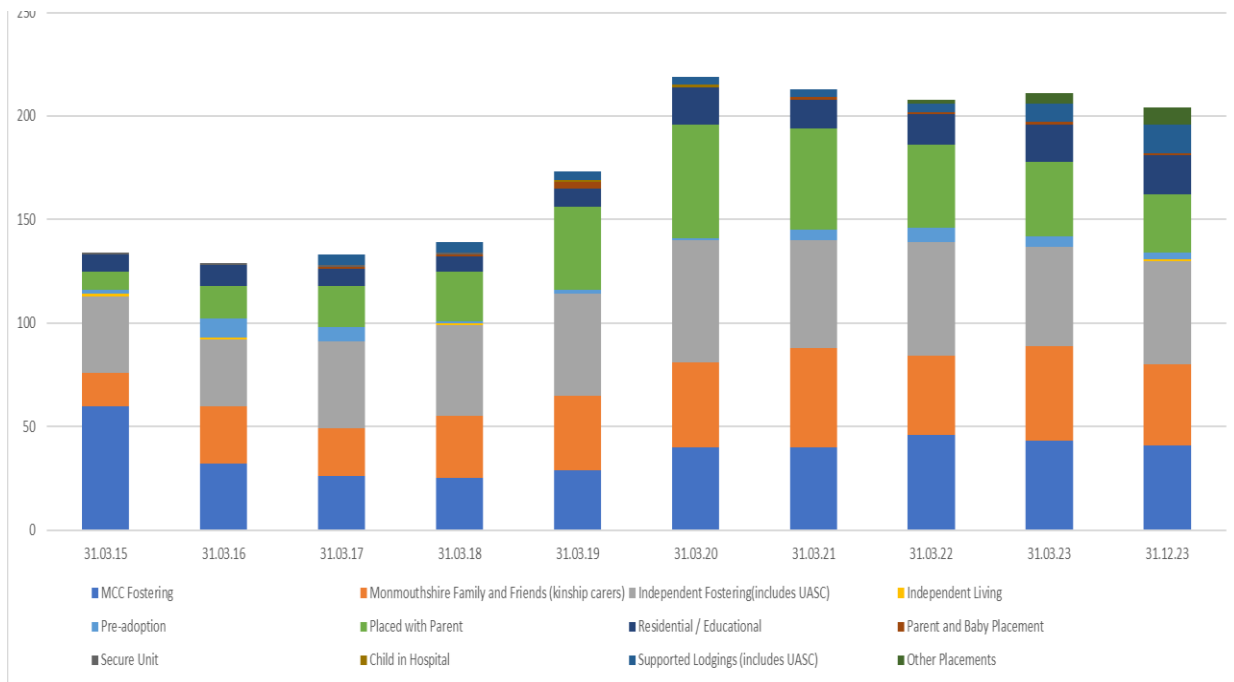
3.1 A primary objective within Children’s Services is to prevent the need for children to come into care and to remain living safely within their families and communities. In situations where prevention is not possible our aim is to provide safe and appropriate care with kinship carers, foster carers or in residential settings. We work with children who are in care, and their families, so that as soon as it is safe and practicable to do so children are enabled to leave care in a planned way. Our operational drive over recent years has been to ensure that the right services are in place at every tier of need to support these objectives. As a result, the numbers of children in care have started to stabilise, albeit that the number of children looked after has increased significantly over the last 8 years.

**Fig.1** Child Looked After population between year-end 2015 to year end of December 2023, denoting the number of Unaccompanied Asylum-Seeking Children (UASC)



3.2 The increased capability within the service to support children remaining with their families means that those children who are in care are more likely to have complex needs such that require specialised placements including residential care. This graph shows an ongoing use of residential placements and a continued reliance on independent fostering agencies. Both placement types are very costly and are not always in the best interests of children.

**Fig.2** Distribution of placement types over the last 8 years



## Placement Sufficiency

**3.3** When children come into care an assessment is made of their holistic needs so that we can find the most suitable placement for them. Ideally, there should be a range of options available to help us find a good match for each child or sibling group, preferably within a family placement or with a foster carer, and where this cannot be achieved within a residential setting. In recent times, choice over placements has been extremely limited because the availability and suitability of looked after child placements in general have not kept pace with the requirements of the service.

**3.4** There are insufficient suitable foster placements for Monmouthshire children and a continued over-reliance on the use of carers that offer placements via Independent Fostering Agencies, many of which are located outside of the County and therefore not always ideal from a child's perspective. The service remains committed to increasing the number of placements we can make with Monmouthshire carers. There is a comprehensive fostering strategy in place that seeks to support the recruitment and retention of in-house foster carers.

**3.5** There is a national shortage of residential placements, which is exacerbated by the insufficiency of foster placements, and more recently by the instability of the provider market following the Welsh Government policy initiative to drive profit out of children's care.

**3.6** These shortages place considerable pressure on resources and sometimes mean that we are unable to place a child in the right setting that best meets their needs, and in some situations has forced us to look after a child in an unregistered placement.

**3.7** Similarly, we do not have sufficient supported accommodation placements for older children and what we do have quickly becomes saturated because of difficulties in securing move-on accommodation. A lack of throughput can mean that young people remain in foster care or residential settings for longer than is in-keeping with their need for increased independence; and simultaneously blocks placements for other children.

**3.8** Within this context, our current commissioning data and analysis indicates that Children's Services must significantly increase the number of all placement types that are available to ensure that children's needs are consistently met; and to provide increased stability and certainty in our care planning for children.

## The Number of Placements Required

**3.9** The predicted number of additional residential and supported accommodation placements that we need, based on current demand, are as follows:

Residential Children's Home (Standard)		
Current Demand	Existing Provision	Further placements required
19	0 All placements are currently spot purchased externally	12
Residential Children's Home (Bespoke)		
Current Demand	Existing Provision	Further placements required
6	4 Woodview and Skirrid View	2
Supported Accommodation		
Current Demand	Existing Provision	Further placements required
Approx 37	15 Pobl X 2 provisions for UASC	20

### Residential Children's Home (Standard)

**3.10** Residential Children's Homes (standard) should provide a homely setting, usually with a maximum of 4 / 5 children with good access to local amenities and facilities. A positive match between the children is critical, as is the provision of a skilled and stable workforce. Residential Children's Homes are registered with CIW (Care Inspectorate Wales) and come under a regulatory framework through RISCA (Regulation and Inspection of Social Care (Wales) Act 2016).

- As at the end of Dec 2023, there were 17 children in spot-purchased, for-profit residential placements plus an additional 2 children who were not in regulated provision making the total demand 19.
- The Local Authority does not have any in-house provision for these types of placements.
- We are currently seeking to develop 12 in-house placements via 3 properties either through re-purposing an existing asset or through acquisition from the open market.
- This would guard against the risk of over-provision and allow some flexibility to continue to procure placements from 3<sup>rd</sup> sector (not-for-profit). We would review demand and the need for any additional placement development on an annual basis as the local, regional and national picture continues to evolve.

### Residential Children's Home (Bespoke)

**3.11** Residential Children's Homes (bespoke) allow for a residential placement to be designed around the specific needs of an individual child/ren. Bespoke placements are needed where children present with complex disability or psychological difficulties often

arising from adverse childhood experiences, trauma or abuse. Placements are supported by a multi-agency team and to provide a therapeutic care plan in accordance with a child's needs. Such placements are often located in non-residential areas with access to some secure outside space. Bespoke placements are also registered with CIW. Finding placements for children who require this sort of specialised residential provision is the most challenging and can be extremely costly, and often results in children being placed away from their homes and communities.

- As at the end of Dec 2023, 5 children needed a bespoke placement.
- The Local Authority has 2 provisions (Woodview and Skirrid View) with the capacity for 2 placements in each (although both provisions are required for solo-use placements currently).
- Woodview is a Local Authority owned property and there is a contract in place with Action For Children to provide the care.
- Skirrid View is owned by Monmouth Housing Association who lease the property to the Council and there is a contract in place with a for-profit organisation to provide the care.
- We are currently seeking to develop 2 further in-house placements via 1 additional property, either through re-purposing an existing asset or through direct acquisition.

### Supported Accommodation

**3.12** 16+ Supported Accommodation is intended to help and support young people over the age of 16 and up to 24 years to develop their independent living skills as they navigate the transition into young adulthood. Supported accommodation provides a stepping stone to young people leaving care, who may not be fully ready to take on their own tenancies. At the same time supported accommodation can be accessed by 16+ young people who are homeless; or who are unaccompanied asylum seekers. The provision does not come under RISCA and there is no requirement for the provision to be registered with CIW.

- Currently there are 37 young people aged 16-17 who will leave care within the next 2 years and 13 more who are turning 16 in the next 12 months, making the total projected demand approximately 50.
- The Local Authority has the capacity for up to 15 supported accommodation placements currently.
- This comprises 2 partnership schemes (with a for-profit organisation) specifically for Unaccompanied Asylum-Seeking Children and a jointly developed project and Service Level Agreement with Pobl for Supported Accommodation Placements for care leavers.
- We are currently seeking to develop approximately 20 additional placements via re-purposing and existing asset or through direct acquisition.
- This would guard against the risk of over-provision, particularly as not all care experienced children need support accommodation placements. We would review the situation annually to check demand against proposed developments.

### **Developing Placements - Accommodation**

**3.13** To provide residential placements for children and young people two elements must be considered:- i) the accommodation / building element and ii) the workforce element i.e. the care and support that is provided to children.

**3.14** With regards to the accommodation element of developing residential children's homes, there are stringent regulatory requirements under RISCA which must be met including such matters as room size, suitability of communal and outdoor space, fire, health and safety issues together with environmental and location considerations.

**3.15** In the first instance our approach to securing properties is to consider the suitability of re-purposing existing assets within the Council or through our RSL (Regional Social Landlords) partners.

**3.16** Alongside of this, and because it is unlikely that the Council's existing asset base will fully meet our requirements, we are continuing to search for suitable properties via the open market.

**3.17** All properties that we have considered so far require works to be undertaken to ensure compliance with RISCA and render them suitable for their intended purpose. Children's Services are working in partnership with Property Services to draw-up the relevant specifications so that refurbishment costs are properly represented within business-cases for each project.

**3.18** Our approach, in either re-purposing existing assets or acquiring properties from the open market, has the potential to take full advantage of any available Welsh Government grants and ensures that assets remain with the Council. To this end, the Council continues to work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding and/or suitable alternative provision that would look to mitigate or avoid the need for the borrowing headroom to be drawn upon.

### **Developing Placements – Providing Care and Support**

**3.19** In respect of the provision of care and support for **residential children's homes** in the context of the eliminate agenda, there are essentially 2 service delivery models: - either through an in-house Local Authority residential service; or via a procurement route where the Local Authority tenders for a not-for-profit organisation to provide the care.

**3.20** From a Monmouthshire Children's Services perspective, our current preferred approach is for a combination of both these delivery models. This would see us develop an in-house residential provision whilst leaving the procurement route open, with the right approach being determined on a project-by-project basis via a cabinet decision. This recognises that there are benefits and risks associated with each delivery model, and that as each project develops there will be a number of variables to be taken into consideration. Given the uncertainty and instability of the external context, the service will need to be flexible and adaptive in order to respond to circumstances as they evolve during this development phase. The benefits and risks for the service associated with each delivery model are set out at Annexe 1 and are discussed in summary below.

**3.21** A **procurement route** allows the service to seek to enter into a partnership relationship with a not-for-profit provider, who would then take over the management and operational delivery of the provision on a contractual basis, including meeting all the associated regulatory requirements.

**3.22** There is concern within the sector that the not-for-profit provider market is not yet sufficiently developed to move into the gap that is currently filled by profit making companies. Equally, there is little indication at this point, of any appetite within profit making organisations for a change of business model. Within this context we are concerned that our ability to secure a partnership arrangement with a not-for-profit organisation to provide residential care might be extremely limited.

**3.23** The service is equally aware, however, that maintaining partnership relationships with not-for-profit providers can create opportunities and brings with it the advantages of having a mixed economy approach to providing residential care for Monmouthshire children.

**3.24** An **in-house model** would require the Service to develop a residential care workforce and management structure. Establishing an in-house service would be a significant step for the service and would present various strategic and operational risks and challenges including workforce, financial / commissioning risks as well as managing performance and quality assurance issues against a statutory regulatory framework. However, we feel that the knowledge and experience gained within the service over the last two years having already supported the development of two projects, the service is well-placed to manage these challenges.

**3.25** To take forward the development of an in-house residential service the intention is to recruit a suitably skilled and experienced person at Service Manager level. The revenue costs for this post would be financed through a Welsh Government grant for the first year and would subsequently be brought into the Children's Services budget structure. Children's Services recognises that there are risks associated with this option, particularly as we have not yet *tested the market* for suitable candidates.

**3.26** Having carefully considered the associated benefits, dis-benefits and risks (see Annexe 1) the service has concluded that an in-house residential service should be established at this point to ensure the future sustainability of the service and to ensure that moving forward, we have the right provision in place to meet the needs of children and young people. The over-riding factor in reaching this conclusion is that an in-house service would support an integrated practice model with the rest of children's services including a shared ethos and practice base resulting in better outcomes for children. Importantly, it would support broader care planning for children looked after as placements and matching would remain wholly within our control. Additionally, once the infra-structure of a residential provision is established it should be easier to scale up as required with increased flexibility depending on the needs of the service. An in-house service model would align with the ambition to take profit out of children's care and protect the service from escalating charges within external providers.

**3.27** The option of seeking partners to provide both the care and accommodation element of a residential children's home has been discounted at this point, as recent market intelligence suggests that the ability to attract tenders would be extremely limited. Furthermore, the option would have less potential to generate cost savings for the authority.

**3.28** By way of contrast, in respect of the provision of **16+ supported accommodation**, the service is not intending to develop in-house support with the preferred model being to work in partnership with a not-for-profit provider, such as an RSL. Expertise in providing housing-based support exists within the not-for-profit / RSL arena and there are already established models in place for Monmouthshire children / young people. On this basis, we are confident that we will have a positive response to a tendering exercise such that will meet our requirements for the support element of 16+ support accommodation schemes.

### **Legal & Policy Context**

**3.29** Under Section 75 of the Social Services and Wellbeing Wales Act the Local Authority has a duty to ensure that there are sufficient and appropriate placements for children who are Looked After. The Act also requires the Local Authority to provide suitable accommodation and support to care experienced young people and the same duty applies to 16 / 17-year-olds who present as homeless.

**3.30** The Chief Officer for Social Care, Safeguarding and Health is able to act under powers within the Social Services and Well-Being (Wales) Act 2014 to ensure that suitable accommodation is secured to meet care needs.

### **National Level**

**3.32** In its Programme for Government, Welsh Ministers have made a commitment to eliminate private profit from the care of looked after children by the end of the Senedd term. This is a top priority commitment for the Government and one which requires a range of partners and expertise to deliver. This business case supports this policy initiative.

### **Local Level**

**3.33** Providing high quality placements that support children to remain closer to their homes and communities features in the community and corporate plan. The ambition to reduce the costs associated with the provision of placements for children who are looked after, with an emphasis on proactive care planning, accords with the savings proposals put forward within this Council's 2024 – 2025 provisional budget.

**3.34** The proposal accords with the Council's Asset Management Strategy which was approved by Full Council on 17<sup>th</sup> January 2024. The strategy commits the Council to having fit-for-purpose assets and to make maximum use of vacant space.

## **4. Equality and Future Gens Assessment**

**4.1** Children who are looked after and care experienced children are more likely to have experienced disadvantage and adversity including poverty; poor housing; poor parental health and disability. It is well known that the life chances and outcomes for care experienced children are poorer than their counterparts and that in adulthood they are at increased risk of experiencing ill-health, homelessness and having lower employment and educational opportunities. Adverse experiences within their birth families can be aggravated by poor experiences within care, particularly for those young people with more complex needs and disabilities.

**4.2** In line with the Council's corporate parenting and safeguarding responsibilities, this proposal seeks to overcome some of these challenges by expanding the Council's capacity to place children closer to their homes and communities. This helps to maintain vital relationships and support networks which otherwise may become fragmented. The provision of an in-house or partnership model will allow for increased integration and multi-disciplinary which helps to support good outcomes for children.

## **5. Options Appraisal**

### **Option 1 Do nothing**

**5.1** The council could choose not to seek to develop any further residential or supported accommodation placements. This would potentially release leadership capacity within Children's Services and other directorates; and at least in an immediate sense would protect the council from the financial risk of borrowing.

**5.2** The Local Authority would remain heavily reliant on external provision, with little control or influence over being able to place children appropriately in the way that best meets their needs. Reliance on an insufficient provider market can mean that children are placed away from their homes and communities. The fragility of the market could either mean that we have no available placements and that such placements as are available are disproportionately expensive.

**5.3** Current information is that the for-profit provision will continue to be under-developed in the near term and therefore will not be able to respond to the insufficiency challenges currently playing out; and that similarly provisions being stood up by other LAs again at least



in the near term are being predominantly designed to solve their own issues. Any release of leadership capacity would be overtaken by the operational risks and challenges associated with placement searching and, as a last resort, the use of un-registered (illegal) placements. The impact of being in situations where the service has had no choice but to set up an unregulated placement is incredibly stressful and demoralising for the workforce and causes significant service disruption.

**5.4** For these reasons, the option of 'doing nothing' is too risky; is not a viable or sustainable option at this point and has therefore been discounted.

## **Option 2**

### **Develop residential and supported accommodation placements specifically for Monmouthshire children as set out within this report**

**5.5** Developing our own residential and supported accommodation placements would go some way to ensure that moving forward, we are able to place children appropriately. The aspiration is to have an in-house residential provision which more closely replicates family life and meets the placement requirements of children and young people with complex needs which cannot be met through foster care or other family placements. Equally, our ambition, to expand supported accommodation placements for care experienced young people through a partnership model, will support good outcomes for children as they prepare for living independently as young adults.

This option would deliver a range of benefits:

#### For children

**5.6** The benefits for children are that they are more likely to be able to remain within or close to their community. This means that they are more likely to be able to attend the same school, continue with hobbies, talents and interests, have more meaningful and engaging time with their birth families, relatives and friends, which ultimately could result in a quicker return home or a placement with a friend or family member.

**5.7** Children also benefit from continuity of care and relationships within their professional network and support can be more accessible and flexible. Similarly, an in-house provision can support close integrated working across a multi-disciplinary network enabling better outcomes for children.

**5.8** Children who are placed some distance away from their families and networks, are at far greater risk of becoming isolated and can begin to dissociate themselves from their local community. This can result in significant difficulties when their care ends – with young people finding it difficult to establish a sense of belonging and experiencing challenges in rebuilding fragmented relationships.

#### Operational and financial benefits include:

**5.9** Option 2 will reduce reliance on profit-based solutions to providing residential placements. It will allow the service to have greater control over matching and placement decisions and to determine the wider aspects of care planning across the cohort of children who are looked after.

**5.10** Reducing the number of children who are placed away from the area will save childcare practitioner time and cost in travelling to establishments and increase job satisfaction.

Expanding the available provision into 16+ supported accommodation will increase the service ability to step-down children from residential provision to support their transition as care leavers.

**5.11** There will be a greater level of control over the financial outlay relating to residential provision.

**Option 2 is the recommended option.**

## 6. Evaluation Criteria

The overall evaluation method associated with the proposals are as follows:

<b>Criteria</b>	<b>Baseline</b>
Total number of children who are looked after	204
Number of children in for-profit residential placements	18
Number of children in non-LA not-for-profit residential placements	1
Number of council / RSL owned properties that are being utilised to provide residential / supported accommodation	2
Number of children in residential placements provided via the LA	0
Number of not-for-profit supported accommodation placements	3
Number of for-profit supported accommodation placements	12

Evaluation criteria will be established for individual projects set against the intended specifications and in accordance with an identified timeline.

## 7. Reasons

**7.1** In summary this report looks to respond to the current external context and challenges associated with the provision of children's social care in a proportionate and flexible way, and in a way which is both sustainable and does not leave the Council wholly dependent on an uncertain provider market. This meets the wellbeing and safeguarding needs of children and young people and provides an affordable means by which the Council can deliver against care needs and when set against the cost that the Council would have had to face in securing provision through the provider market.

**7.2** The proposals will support the Council to fulfil its statutory duty to provide sufficient and suitable placements for children who are looked after and is in keeping with national and local policy direction.

**7.3** The recommendation for Cabinet to approve any draw-down on borrowing headroom will provide balance and transparency within decision making, whilst still allowing operational objectives to be achieved in circumstances where speed of decision making may be critical.

## 8. Resource Implications

**8.1** On 27<sup>th</sup> January 2022, the Council agreed that borrowing headroom of up to £2 Million could be used to support the development of children's residential provision. This supported the purchase and subsequent development of Woodview children's home. A successful grant application allowed this borrowing to be reduced so that there is now £1.86 Million remaining within the original borrowing headroom. This report proposes that this is now extended up to £3 Million to support the further acquisition and repurposing of assets to support the development of the Council's residential provision. The borrowing will only be required at a time when business cases are submitted and initially approved by the S151 officer of the Council prior to a cabinet decision, in line with the report's recommendations. The borrowing costs will be met from existing Children's Services budgets.

**8.2** The borrowing headroom being created will only support property acquisition costs and any resultant costs to modify the property to make it fit for purpose; or the costs associated with modifying an existing council asset. All associated revenue costs, including on-going building maintenance and repair, will be met from existing Children's Services budgets.

**8.3** Any use of the borrowing will result in the acquisition and/or development of property. The Council's Landlord Services teams will look to provide ongoing support and to ensure that any assets acquired are well maintained and to ensure that asset values are retained such that best value is derived upon any subsequent disposal. However, it is worth noting that any accommodation being vacated might not automatically lead to disposal as it might be retained at that point for future use.

**8.4** The Council will work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding. The Council will seek to acquire properties for residential children's homes and 16 plus supported accommodation schemes (either through direct purchase or through partnership with RSL) on the basis that this maximises available grants and so that the Local Authority or RSL retains the asset. If successful, such bids will allow us to greatly reduce the borrowing cost to the council.

**8.5** The business case required to justify any acquisition will need to outline an independent valuation being undertaken by a qualified valuer. Revenue business cases will then detail the overall costs (and unit cost) of each provision which would include workforce and leadership costs, building, amenities, food and recreation costs, insurance, and any provision for voids.

**8.6** At month 6 we were forecasting to spend annually the sum of £5,337,030 to purchase 19 beds, which equates to an annual cost per bed of £280,896. The 3 options below look at facilities for 12 beds, so the current cost as a comparator for basing savings would be an annual equivalent cost of £3,370,752. This shows that there are potential opportunities for savings to be made by moving away from spot-purchasing residential placements. Comparatively, the cost of providing an in-house residential service is more than commissioning a not-for-profit organisation. However, to rely solely on this approach would be too risky both financially and operationally because it is unlikely that there will be sufficient interest or capacity within the not-for-profit provider market to meet our requirements. Although comparatively an in-house service costs more, there are advantages around ensuring good outcomes for children and allowing the Council to reduce its dependency on the external market, that make it worthwhile.

<b>Model</b>	<b>Average Annual Cost Per Bed (£)</b>	<b>Projected Annual Cost (£) (based on 12 units)</b>	<b>Projected Annual Savings (£) (based on 12 units)</b>
<b>Current Model</b> External residential children's home placements as at month 6 2023/24	280,896	3,370,752	
LA owned accommodation with care and support provided through an in-house residential service	201,795	2,421,540	949,212
RSL owned accommodation with care and support provided through an in-house residential service	210,770	2,529,240	841,512
LA owned accommodation with care and support provided through a 'not-for-profit' organisation	163,450	1,961,400	1,409,352

**8.7** The savings proposal of £1.3 Million put forward by Children's Services within the Council's budget setting process for 2024 / 2025 assumes that some of these savings will be achieved through placement changes that are proposed as set out within this report.

**8.8** The Service is intending to create a post and recruit a permanent service manager with responsibility for developing an in-house residential provision. This would cost £85K inclusive of on-costs and assuming a 4.25% pay increase in line with the MTFP. For the first year this post would be financed through a Welsh Government grant (and therefore cost neutral to the Local Authority) with subsequent yearly costs being built into the Children's Services budget. The expectation would be that as in-house provisions are developed; salary costs would be recoverable against any savings made.

## **9. Consultees**

Social Care and Health DMT  
Senior Leadership Team, Monmouthshire County Council  
Nicholas Keyse, Head of Landlord Services, Monmouthshire County Council

**9.1** The draft report was presented at People's Scrutiny Committee on 6th February 2024.

The committee scrutinised the report in depth and agreed to offer the following points as a summary:

Members discussed the sufficiency and suitability of bespoke placements and how adequate and flexible they would be. They also discussed the likelihood of securing Welsh government grants and the exchange of placements with other local authorities. Members ask questions around the possibility of joint projects for neighbouring authorities, and also talked about learning from other councils. Questions were asked around the issue of sibling room sharing. Also, the impact of bringing children young people back to their communities. Many Members ask questions about property type and location. The committee questioned how consultation had been held with young people and there were also questions about the types and numbers of placements needed, the revenue implications and the acquisition of repurposing properties. They discussed the borrowing headroom and the governance and transparency around the purchase of assets.

**9.2** The committee endorsed the proposal and requested the opportunity for post decision scrutiny.

## **10. Background Papers**

None

## **11. Author**

Jane Rodgers, Chief Officer for Social Care, Safeguarding and Health

[Janerodgers@monmouthshire.gov.uk](mailto:Janerodgers@monmouthshire.gov.uk)

## Annexe 1

Considerations regarding the benefits, dis-benefits and risks of i) establishing an in-house residential service and ii) procuring care via a not-for-profit organisation

<b>Establish an in-house residential service - Benefits</b>
<ul style="list-style-type: none"><li>• Overall management of service quality, design and the operation of the homes, together with an integrated practice model</li><li>• Residential care staff would be recruited and trained to work alongside other Children's Services' staff, with a shared ethos and practice base</li><li>• Potential for some flexibility of workforce across services and provisions (e.g. residential care staff would retain links and offer support to children moving on from residential services.)</li><li>• Greater control over which children access the provision with more ability to positively risk manage and match children</li><li>• Better opportunity to align the child's social worker and the in-house residential provision to facilitate and promote family and community connections.</li><li>• Potential improved MDT working and connection with internal resources such as education and specialist family support</li><li>• Once established potential for scaling up (into new provision) quicker than through a procurement route</li><li>• An in-house provided residential care service will be supported by the Regional Eliminate Team, in setting up and running of a residential care home.</li><li>• Mitigation of voids through partnership with other Gwent Local Authorities, or other Welsh Local Authorities on a reciprocal arrangement.</li></ul>
<b>Establish an in-house residential service - Dis-benefits and Risks</b>
<ul style="list-style-type: none"><li>• The service has a lack of experience in developing and managing in-house children's residential care homes.</li><li>• There is limited capacity and no established infrastructure (at present) to support a residential service (e.g. responsible individual / service manager, care home manager, project manager, managing recruitment, finance, human resources).</li><li>• The service would need to work closely with Care Inspectorate Wales (CIW) to achieve Good or Outstanding rating</li><li>• Children's Services would be solely responsible for the effective management and delivery of the service, with reputational risk should there be poor delivery / adverse CIW inspections</li><li>• Recruitment will be challenging</li><li>• An in-house provision may prove to be more expensive, due to what the Council pays its staff (staffing costs account for approximately 80% of cost of providing the service); however, increased control and management of voids may off-set that</li><li>• There will be resource implications in setting up and managing an in-house provided residential care home (both financial resources and human resources).</li></ul> <p><b>MITIGATIONS</b></p> <ul style="list-style-type: none"><li>• Over the last two years the service has gained some experience of supporting residential developments through establishing Woodview</li></ul>

- The service intends to establish a service manager post to build the infra-structure required as projects are developed
- For the next year the service is benefiting from additional capacity and expertise through a regional resource to support Local Authorities with the challenges associated with eliminate agenda.
- There is experience of providing regulated services under RISCA within adults' services.

#### **Tender for care - Benefits**

- Being a good partner and supporting the not-for-profit provider arena (the timing of a change in approach is good; the voluntary/third sector is keen to explore different ways of working with local authorities).
- External Providers have experience in developing and managing children's residential care homes
- The administrative and managerial responsibility for recruiting, training and supervising a residential workforce will not rest solely with the LA.
- The Council holds less risk in terms of redeploying staff or paying redundancy should it decide it no longer requires the externally provided residential care home at a later date.
- The responsibility of registering and maintaining the provision in line with CIW regulations will remain with the provider.
- As a commissioner, the service will be able to hold the provider to account for service quality
- External providers can mobilise and set up a service quicker than the Council, and may be able to pull in additional benefits and resources
- Block contracts may help reduce cost
- The Council will have the contractual ability to negotiate voids, packages of care with an externally provided residential care home partnership.

#### **Tender for care - Dis-benefits and risks**

- Externally provided residential care home partnership providers can still reject referrals, set out their own matching criteria and give notice to discharge children and young people which could result in finding new, possibly more expensive placements.
- The Council has less control over an external provision in terms of matching and risk plans around individual children - although this could be mitigated to some extent within the contract. There will be less flexibility.
- At the same time the LA would be responsible for voids
- There is reputational risk to the Council if service standards decline within the externally provided residential care home (ultimately it will fall back on us, but the risk is more shared)
- The provision would be managed via the organisation's management structure, with its own separate governance arrangements, staff development and training, which could in turn lead to different values/cultures.
- There is an under development of not-for-profit providers and there is a sense that not-for-profit organisations are starting to over-extend – there is a real risk that a partnership orientated provider would not come forward or find this partnership arrangement an attractive offer.

- Some for-profit providers are seeking to change to meet the new legal requirements but are likely to want to remain on a spot-purchase basis.
- Each project would likely require a separate procurement process which could lead to arrangements with different providers, therefore loss any economies of scale and resource intensive

**MITIGATIONS**

- The service has experience of procuring organisations to provide care and of working in partnership with 3<sup>rd</sup> sector organisations
- The procurement process would establish whether organisations were viable to contract with
- The Local Authority can chose whether to contract for care (particularly given the aspiration to develop an in-house provision)
- If contracts are in place there would be on-going contract monitoring for quality assurance independent of CIW.