

REPORT OF THE LEADER OF THE COUNCIL

INCREASING RESIDENTIAL CAPACITY FOR LOOKED AFTER CHILDREN

Purpose of the Report

1. The purposes of this report are:
 - a) to summarise the current position regarding the provision of foster care and residential home placements for children in care of the local authority, and the initiatives being pursued to exercise a degree of control over placement provision and to mitigate the financial challenges presented by the external market in particular;
 - b) considering the above, to seek an amendment to the terms of the approval previously given by Policy Committee to expand the Council's internal residential home estate. Specifically, to establish two 2-bed homes rather than one 4-bed home in order to provide some capacity within the internal estate for accommodating children in care who may present with a range of specialist requirements. This would also better complement the current range of placements available to the Council within its own estate or via exclusive contracts;
 - c) to seek approval in principle for the establishment of a further two pairs of 2-bed homes on the basis that continued expansion of the Council's internal estate be confirmed via a report to Finance and Major Contracts Management Committee in order to approve the allocation of funds for the second and third pairs of homes; and,
 - d) to delegate authorisation for the purchases to the Corporate Director for Place, in consultation with the S151 Officer and the Chairman of Policy Committee.
2. To seek approval to relocate the current Oakhurst children's home to a more suitable property in Mansfield and sell the current building.

Information and Advice

Background

3. There are currently 930 children looked after by the local authority¹. This number has increased markedly during the past 2½ years (there were 780 children in care as at September 2017) – in line with national trends. The comparative number of children taken into local authority care within Nottinghamshire remains considerably below the national average and social work colleagues continue to do everything possible to ensure children can remain within the family environment wherever possible. The Ofsted inspection undertaken in October 2019 confirmed that the Council's services for children and families continue to be rated 'good'.

¹ As at January 2020

4. Most children looked after by Nottinghamshire County Council reside in foster care or other kinship arrangements. Traditionally, a significantly greater proportion of children in care would have been accommodated in an internal placement, i.e. living with a County Council foster carer. However, the recent sharp increase in overall numbers of children coming into care has resulted in a challenge to this established position. In-house placement capacity has remained largely stable; consequently, use of foster carers sourced via an independent fostering agency has increased to the point where the gap will have closed if the current trend of increasing numbers of children coming to care prevails for a further period.
5. The Council will address this by a concerted programme of foster carer recruitment. This has already involved a number of recent developments, including;
 - increase in fostering allowances by 29% from September 2019 to become more competitive with independent sector and other Councils
 - introduction of a new dedicated recruitment and assessment team to ensure that all initial visits are within 3 working days of fostering enquiry
 - appointment of Fostering Family Workers to ensure foster carers receive additional support
 - development of a network of support hubs to provide peer support
 - roll-out of training which will develop a truly therapeutic fostering service
 - improvement of the fostering offer, including the Max Card and other discounts
 - media campaign in September 2019 to launch the improved offer
 - production and wide circulation of fostering recruitment film
 - very regular fostering recruitment events across the County
 - campaign to recruit carers from faith groups
 - recruitment within District Councils and partners with lunchtime drop-in sessions
 - very well-attended Fostering Conference in September - key note speaker Sir John Timpson
 - transformed social media and marketing profile.
6. Following the introduction of increased foster carer fees and the September publicity campaign, the average number of enquiries per month has doubled, from 8 to 16. Feedback on the quality of the assessments is very positive – new foster carers seem highly resilient following their preparation. We will increase our fostering capacity by 50 foster carers over the next three years.
7. Turning to residential home placements, data show that 125 children looked after by this Council reside in a residential children's home setting, which is in line with national averages. The Council's mainstream residential home estate comprises 11 beds, or less than 9% of the total. The proposal within this report to expand in-house capacity would address this imbalance, doubling the capacity of council-owned homes.
8. The Council has a range of options in place to secure residential placements in the external marketplace, including, from February 2020, the new D2N2 Children in Care Framework, which has been developed in collaboration with neighbouring children's services authorities in Nottingham City, Derby City and Derbyshire. Initially a sub-

regional replacement for the East Midlands Regional Children's Framework Agreement that preceded it, the intention is now that the new framework will develop to ensure that more children in care of the four local authorities may be accommodated within the D2N2 geographical footprint, i.e. more local placements, maintaining the links children have with their communities and support services.

9. This council also has several of its own contracts, including well-established block contracts that provide high quality placements, and good value-for-money too. Recent data provided by CIPFA shows that the average weekly price the Council pays for externally commissioned residential placements is amongst the lowest of all benchmarked local authorities. Initially the block contracts provided a standard type of placement setting that met the needs of many of our children in care. However, as is evidenced across society in general, an increasing number of children in care are having specialist needs and conditions identified and formally diagnosed, which in turn is leading to a requirement for more specialist residential homes – be this in terms of size (more smaller homes) and / or range of staffing skills. To address this evolving need, the Council has extended and expanded these contracts so that they now collectively provide a mix of different types of residential placements – in different sized homes, offering different forms of specialist care, some set up within Nottinghamshire exclusively for our children in care, others offering out-of-county placements as and when required.
10. All of this has been developed as part of ensuring the Council has an appropriately diverse mix of external residential placements, commissioned from a variety of sources. Indeed, the recommendations in this report seek to extend the number and mix of different placements types over which it may proactively exercise an element of decision-making control.

Operating Model

11. One of the council's providers of children's home placements has established an operating model under which two nearby 2-bed homes are managed by a single Registered Manager. This model, which is approved by Ofsted, is already working successfully at the provider's own homes in Nottinghamshire that are exclusively for children looked after by this County Council. The external provider will therefore manage the day-to-day operation of the two new homes on NCC's behalf as a pilot under their existing contract.
12. As well as the benefits of the provider's model and their experience in operating homes in this way, placement costs will be kept down through the removal of property costs from the provider's fee. The authority's property costs will be still lower due to relatively lower costs of borrowing. At the end of the trial period, a report will be taken to Children & Young People's Committee to review the success of the operating model and ensure it yields the expected benefits.

Other Options Considered

13. Since the time of the earlier report to Policy Committee in July 2019, which recommended that NCC purchase a property in which to establish a 4-bed home, there have been increasing numbers of children in care presenting with significant support needs for whom securing a suitable placement match has proved very challenging and expensive. Furthermore, the Council now has the evidence of successfully placing children in care in two in-county 2-bed homes under the auspices of the block contract described earlier in this report. These two homes opened during summer 2019 and are proving to be successful in this regard.

Reason/s for Recommendation/s

14. The Children's Act 1989 (Section 22G) places a 'Sufficiency Duty' on local authorities. This requires them to ensure that there are sufficient placements within their geographical area to meet the needs of children in their care, and to take steps to develop provision to meet the needs of all children in care locally as far as is possible. The County Council's Sufficiency and Commissioning Plan sets out how it will fulfil this duty through developing its own provision and working with external providers and other partners to shape a local market that will meet the needs of children close to where they live, whenever this is appropriate. The evaluation of the available provision, on which the plan is based, concluded that it 'does not fully meet the needs of all our LAC population and that we need to grow provision to meet future need and to achieve our ambition to secure the right place, first time every time.'² This analysis led to the development of the proposal to establish more in-county residential capacity.
15. The numbers of Nottinghamshire children requiring external residential care increased by over 50% between 2016 and 2019. The national increase in demand during the same period resulted in an increase of over 20% in the average cost of an external placement; although the existence of pre-negotiated block contracts for defined numbers of placements kept costs lower for many, placements for children with higher levels of need saw more marked increases. Furthermore, officers engaged in the placement of children observe increasing levels of need. Were these trends of growing numbers of children with increasingly high care needs and rising costs of placements to continue, the effect on NCC's placement budget would be significant.
16. Establishing new homes in Nottinghamshire reduces the County Council's reliance on the external market and the rapidly increasing external placement costs for children with significant support needs. It will increase the number of in-county residential places, thereby maintaining the links children in care need with their communities and the continuity of support from local services, such as education and health, which are at risk of becoming disjointed when placements are in different parts of the country. Evidence indicates that this leads to better outcomes and lower cost through reduced escalation of need, reduced cost of support and less breakdown of placements.

² See **Appendix A**: A Sufficiency & Commissioning Plan for Looked After Children in Nottinghamshire

The relocation of Oakhurst

Background

17. Oakhurst is one of Nottinghamshire County Council's 3 Specialist Group Homes. It provides residential care for up to 4 children.
18. The property is no longer fit for purpose. There is very little outside space for young people to use and the internal size and layout is restrictive, which can lead to safety issues for both young people and staff. The building itself has an institutional character and does not feel like a typical family home.
19. It is recommended that a house is bought within the Mansfield area to relocate the current Oakhurst home to in order to provide the children and staff with the best chance of achieving positive outcomes.

Other Options Considered

20. Remaining in the current building would prevent disruption to the children looked after there, the staff who look after them, and the other services that support the home. Consultation and communication throughout the planning and implementation of the relocation will substantially mitigate these. The benefits of the relocation will therefore outweigh these considerations.

Reason/s for Recommendation

21. Relocating Oakhurst will provide the Council with a more suitable facility, with a number of benefits:
 - a) The new home will be less institutional and more closely resemble a typical family home, providing normalcy for young people who live there
 - b) A new house will be acquired that does not suffer from the same visual and auditory risks attributable to the layout of Oakhurst which have the potential to impact on child and staff safety, such as clear lines of sound and sight
 - c) The new house will have a more usable garden than the current residence
 - d) The new house will be seen by children and staff as an act of support from the authority to enable them to obtain positive outcomes.
22. Initial searches have confirmed suitable properties are available within the preferred areas and within the expected budget.
23. Moving to another area of Nottinghamshire was not considered as an option due to the excessive disruption to the children within the home and to the staff. The activity to replace the home will seek to minimise disruption to both groups. An Equalities Impact Assessment has been undertaken and is available as a Background Paper.

24. A more modern property would require less maintenance than Oakhurst, thereby reducing the authority's overall estate management costs.

Statutory and Policy Implications

25. This report has been compiled after consideration of implications in respect of finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, crime and disorder, sustainability and the environment and ways of working. Where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required. An EqlA has been completed.

HR Implications

26. An assessment of the relocation on the Oakhurst staff group has indicated no adverse impact as the new home will be located within the Mansfield district, which is where the current property is located.

Financial Implications

27. The following table shows the acquisition and set up costs of developing a total of six 2-bed homes, i.e. three pairs. The cost of the first pair of 2-bed homes will be £210,000 more than was approved to develop a four-bed home. Each subsequent pair will cost approx. £760,000, at current market rates.

Activity	Cost £
Purchase of a house to be made into a 2-bed home ³	300,000
Set up costs (including alterations, legal fees, refurbishment, fixtures, fittings & equipment)	80,000
Total to establish one 2-bed home	380,000
Multiplied by 2	760,000
Funding approved in previous proposal	550,000
Additional funding requested to establish first pair of 2-bed homes	210,000
Total to establish three pairs of 2-bed homes	2,280,000
Additional funding requested to establish three pairs of 2-bed homes	1,730,000

1 Estimate based on initial searches by NCC Property

28. Whilst potential cashable savings from this proposal are relatively modest, the increase in internal placement capacity via the establishment of these smaller homes will bring significant benefit for some of the most vulnerable children looked after by the County Council. It is one of a number of initiatives the Council is pursuing in order to improve access to a greater volume and mix of residential placements which would collectively provide better financial and social value to the Council and reduce the effects of further price increases in the external placement market.
29. The annual revenue cost of running the new homes will be funded from the existing external placements budget which will be £40.1m in 2020-21.

³ External Placements Budget for Looked After Children, Report to Children & Young People's Committee, 15th October 2018.

30. Following the establishment of the first pair of homes, a report would be taken to Finance and Major Contracts Management Committee at the appropriate time in order to approve the allocation of funds for the second and third pairs of homes.
31. This new proposal has been agreed in principle by NCC's Capital Asset Management Group (CAMG), pending approval by Policy Committee.
32. A contingency allocation of £73k for Financial Year 2020-21 was approved in July 2019 to cover the possible costs of implementation, including the recruitment and training of staff during the period when the homes are being registered and no children can be accommodated. This will still be required.
33. The following table shows the estimated cost of a new house, the cost of moving from Oakhurst and the potential return on the sale of Oakhurst, based on an estimated valuation from NCC Property:

Activity	Cost £
Purchase of a new house	390,000
Relocation (including alterations, removals, legal fees, fixtures, fittings & equipment)	120,000
Budget	510,000
Sale of Oakhurst	-385,000
Net cost	125,000

RECOMMENDATIONS

34. That Policy Committee approves:
- i. the amendment of the terms of the previous approval given at its meeting on 17 July 2019, such that this now enables the establishment of two 2-bed homes (rather than a single 4-bed home)
 - ii. the establishment of a further two pairs of 2-bed homes on the basis that continued expansion of the Council's internal estate be confirmed via a report to Finance and Major Contracts Management Committee in order to approve the allocation of funds for the second and third pairs of homes
 - iii. that authorisation for the purchase of the homes be delegated to the Corporate Director for Place, in consultation with the Corporate Director for Children and Families, the S151 Officer and the Chairman of Policy Committee
 - iv. the purchase of a suitable property into which to relocate the Oakhurst Children's Home and the subsequent sale of the current property
 - v. the Children and Young People's capital programme is varied by £720,000, funded from borrowing, to reflect the additional £210,000 required to purchase and make operational the two 2-bed residential homes and £510,000 required to fund the purchase and refurbishment of the Oakhurst replacement provision.

Councillor Mrs Kay Cutts
Leader of the Council

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Constitutional Comments (EP 28/02/2020)

35. The recommendations fall within the remit of the Policy Committee by virtue of its terms of reference.

Financial Comments (GB 27/02/2020)

36. It is proposed that the Children and Young People's capital programme is varied by £720,000 to reflect the increased cost of providing two 2-bed residential homes and to fund the replacement Oakhurst provision. It is expected that a future estimated capital receipt of £385,000 will be realised which will be used in line with the Council's capital receipts policy.

Background Papers

- Equalities Impact Assessment

Electoral Division(s) and Member(s) Affected

All