

Chief Executive
Rob Walsh



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11th November 2024

To: All persons on the distribution list
Children and Lifelong Learning Scrutiny Panel

Dear Councillor

Children and Lifelong Learning Scrutiny Panel – Thursday 14th November 2024

Please find attached the following item marked as 'copy to follow' for the above meeting:

Item 12 North East Lincolnshire Children Homes Transformation

Please contact me if you require any further information.

Yours sincerely



Beverly O'Brien
Scrutiny and Committee Advisor
For Rob Walsh, Chief Executive

CABINET

DATE	11 th December 2024
REPORT OF	Councillor Margaret Cracknell – Portfolio Holder for Children and Education
RESPONSIBLE OFFICER	Ann-Marie Matson Director of Children’s Services
SUBJECT	NEL Children’s Homes Transformation
STATUS	Open
FORWARD PLAN REF NO.	CB 12/24/05

CONTRIBUTION TO OUR AIMS

Further development and improvement to provide sufficient local provision of Children’s Homes within the borough directly aligns with the children in care Sufficiency Strategy and the Council’s priorities to:

- Enhance the experiences and outcomes of children who do need to come into care through access to sufficient local high-quality homes for children, enable access to local support networks to be accessible to children when they need it
- Recruit, retain and develop a skilled local workforce to be able to support children in care in the best possible way that build on the importance of relationships, knowledge and skills.
- Improving outcomes for children in our care through enabling more children to maintain their education settings within the borough and enable children to return to accessing education in the borough in local settings.

EXECUTIVE SUMMARY

To create opportunities to develop more local children’s homes in North East Lincolnshire, with the aim of increasing overall sufficiency and providing the appropriate mix of different types and sizes, for children in our care within North East Lincolnshire. This will be delivered through a flexible hybrid model that may include:

- Authority owned and managed Children’s Homes
- Authority owned, and independently managed Children’s Homes
- Independently owned and managed Children’s Homes

Collectively, this will provide greater choice, enable more children to be matched with local placements, and reduce the Council’s reliance on externally commissioned children’s homes which are more expensive and involve children in our care living at a considerable distance from the borough (and consequently away from their family, friends, and professional support network).

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the principle of the Children's Home Transformation Project.
2. Authorises the Director of Children's Services, in consultation with the Portfolio Holder for Children and Education, to progress with the commissioning and commence any procurement exercises to establish new Children's Homes within the borough of North East Lincolnshire as illustrated by this report and thereafter make such award(s) and deal with implementation and mobilisation of such activity.
3. Delegates authority to the Director of Children's Services in consultation with the Portfolio Holder for Children and Education to carry out all reasonable activity ancillary to the above which, for the avoidance of doubt, shall include but shall not be limited to, all requisite planning applications.
4. Delegates authority to the Executive Director Place and Resources to acquire such property as reasonably identified by the Director for Children's Services, in consultation with the Portfolio Holders for both Children and Education and Finance, Resources and Assets, with discretion to the Executive Director Place and Resources to negotiate and settle terms and complete such acquisitions as the Executive Director sees fit even where to do so would constitute a key decision.
5. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute documentation arising.

REASONS FOR DECISION

The development of the Children in Care and Care Leavers Sufficiency Strategy, completed in Summer 2024, identified a need to increase access to local children's homes, to enable the Authority to provide sufficient placements for children in our care who need the care and support of a children's home within the borough.

Following the completion of the strategy, an analysis was undertaken to understand our children's homes sufficiency. This identified that our current in-house children's homes are consistently well-utilised, with no identified opportunities to increase the number of placements that can be provided within the current provision. Equally, the quality of care, practice and our workforce has improved, recognised through our Ofsted inspections undertaken in the last 12 months.

External children's homes are often a significant distance away from North East Lincolnshire, with the market nationally known to charge a range of fees which is not consistently aligned with the level and quality of the care provided. In its 2022 report, the *Competition and Markets Authority* found that, among the largest 15 private residential home providers, profit margins averaged 22.6% in children's homes.

We are seeking to develop our local children's home placements offer to provide sufficient in-area provision for children in our care, via a flexible landscape that includes increasing our in-house children's homes placements and working with commissioned providers to develop and manage new children's homes within the borough.

1. BACKGROUND AND ISSUES

- 1.1 The Authority owns and manages seven Children's Homes providing access to 17 placements for Children in Care. This includes homes provided by the Authority specifically for children in our care with disabilities.
- 1.2 The Authority as of 22nd October 2024 commissioned 30 external children's home placements for North East Lincolnshire children in care. In addition to these, there are a small number of placements commissioned specifically to provide access to specialist education provision within a residential setting. These joint education and care placements are outside of the scope of this proposal.
- 1.3 It is understood and accepted that a proportion of children in our care will have a need to access the support and care provided in a children's home to enable their needs to be met and their permanence to be achieved.
- 1.4 The majority of independent homes from whom the Authority has commissioned placements are not located either within North East Lincolnshire or close to the borough.
- 1.5 This 'distance' creates barriers in enabling children and young people to maintain important connections with their families and local networks of support, including their Social Workers and Schools.
- 1.6 It is evidenced nationally that the cost of accessing independent homes is costly for Authorities, and this is set to continue to rise.
- 1.7 Nationally, there has been a 12% increase in the number of Children's Home established. However, these Homes are not proportionally distributed across regions in the UK. North East Lincolnshire is not well-served by independently operated Children's Homes, and this – together with the cost issues described in paragraph 1.6 above – exacerbates the overarching local sufficiency issue that the recommendations within this report are seeking to address.
- 1.8 Our deep dive work has enabled the Authority to understand that our children in care who live in out of area, independent children's homes are:
 - 1.8.1 more likely to lose important connections with their families and local networks
 - 1.8.2 more likely to experience placement moves
 - 1.8.3 more likely to have missing episodes
 - 1.8.4 likely to have the same, or lower levels of needs assessed in comparison to children in care currently living within the borough
- 1.9 Utilising our understanding of the needs of children in care and our forecasting information we know we are likely to need between 10-16 additional children's home placements to be provided within the borough to meet current needs and prevent future children needing to access out of area, independent children's homes.
- 1.10 We have started to engage with independent providers through Preliminary Market Testing to understand the opportunities, barriers and challenges providers may experience when considering developing children's homes in

North East Lincolnshire.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

Risks:

- 2.1 As detailed above, the use of commissioned independent children's homes, located outside the borough impacts negatively upon children. We know that when children live far away from the people and places they know and love, it can add to what can already be a traumatic experience.
- 2.2 Costs associated directly and indirectly with accessing these types of placements will continue to rise, without there necessarily being a correlation linked to the quality of the care being provided for children in our care.
- 2.3 If we do not explore options to increase access to local children's homes for our children in care, there will potentially be further need for children who enter care in the future to live in homes outside of the borough.

Opportunities:

- 2.4 If the number of local children's home placements were to increase this would enable more of our children in care to live within North East Lincolnshire. This would enable more children and young people to maintain or return to their local schools, maintain regular family time arrangements, remain connected with friends and be able to access local support, including that from social workers at the earliest opportunities.
- 2.5 By enabling more of our children in care to live within North East Lincolnshire, we can reduce service pressures and associated costs in supporting and maintaining out of area placements.
- 2.6 By investing in the local development of Children's Homes we have the opportunity to grow our local skilled workforce, which can be employed within the borough. Although, some of the local workforce may not be directly employed by the Council, it will enable businesses to work alongside the Council in developing and investing in a workforce that provides quality care and support to children in our care and their families.
- 2.7 By working with independent providers, we have opportunities to increase the networks of local support accessible to children in our care
- 2.8 Through increasing the proportion of children in care who live within the borough, we create more opportunities for young people approaching 18 years old to be well connected with local networks of support in preparation for their move to independence as a Care Leaver.

3. OTHER OPTIONS CONSIDERED

- 3.1. Do Nothing - This option would not enable local placements of the required types to increase within our borough. Doing nothing would continue the use of the same number of out of area children's homes, and continue to require significant resources to sustain via a market that is known to be 'provider-led' with commissioning local authorities having relatively little direct control over the fees charged for these placements.
- 3.2. Fully Externally Commissioned Offer – This option would require extensive procurement arrangements and for providers to have established properties within the borough that can meet local needs. This option could not be achieved within the required project timescales.
- 3.3. Fully Internally Managed offer – This option would present challenges for the Authority in recruiting a suitably skilled workforce within the project timescales. The Authority will need to continue to care for a small number of children who have highly complex needs requiring specialist support and care packages delivered by specialist independent providers. Additionally, some children in our care, for their own safety may require periods of time, living outside of the borough. Presently these two niche needs can viably be met by independent providers.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. We want to work together, listening to the wishes and feelings of young people whilst developing robust plans that create positive change in the lived experiences of the children in our care.
- 4.2. From the insights received we know children in our care want to remain close to their hometown, they want to connect with their family and friends and want to stay in their schools.
- 4.3. Throughout the delivery of the project key messages and updates will be shared with stakeholders, this will need to include suitable messages for families and children who may be ready to return to the borough to potentially live in any of the new homes developed within the borough.

5. FINANCIAL CONSIDERATIONS

- 5.1. Currently, six percent of our children in care are living in out of area Children's Homes. For some children in our care, this placement is the best fit for their needs; however it is recognised that for some children, their needs could more appropriately be met by homes within the borough.
- 5.2. It is intended to purchase up to four properties, with associated budgets allocated to support the management of these homes for an initial three year period. These properties will create an additional 10 placements for children in our care to access. The intent also incorporates the associated costs to also

enable a closed In-house Children's Home to be brought back into operation, creating an additional 3 placements.

- 5.3. We know that in-house Children's Homes provide good quality care for children in our care, cost less to the Authority in both real terms, and associated costs and due to their location enable children to maintain local connections and relationships, including continuity of Education and Health Services.
- 5.4. We recognise that there are also substantial hidden costs to support children in our care who live in out of the area in staff time, transport and other costs.
- 5.5. Should the Authority's needs change, there are options which can be explored that could generate a revenue income or capital receipt. By using our data to understand future trends, and our understanding that on average 10% of the children in our care population will have a need to live in a Children's Home, it is anticipated that there will be need for the additional capacity being sought for a minimum of six years.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1. By proceeding with this transformative proposal, we will enable more of our children in our care to live in quality homes, within our borough.
- 6.2. The proposal will reduce the reliance upon independent, out of area placements, enabling some of our children in our care to be supported to return to the borough, whilst, preventing the need for future children in our care having to leave the borough.
- 6.3. By enabling more of our children in our care to live in the borough, we will be enabling them to access the support of our local services, they can easily access the support of their Social Workers and Independent Reviewing Officer with barriers of distance being removed.
- 6.4. More children in our care will have opportunities to access local children in our care support networks and build and maintain relationships with their families.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 In reducing the amount of out of area placements we use for children in our care, this will reduce the amount of travel required by Social Workers and supporting professionals, who would need to travel to see children in their placements. This will therefore reduce carbon emissions to contribute to the Authorities goal of becoming carbon neutral.

8. CONSULTATION WITH SCRUTINY

- 8.1 The proposal will be presented to Children and Lifelog Learning Scrutiny Panel on 14th November 2024

9. FINANCIAL IMPLICATIONS

- 9.1 The purchase of new homes would form part of the Council's capital programme and will be monitored and reported on accordingly.
- 9.2 It is expected that ongoing revenue costs would be met from within existing budgets

10. LEGAL IMPLICATIONS

- 10.1 The ask set out in this report is multi-faceted with the potential procurement of services, re-enabling of extant property and acquisition of additional property.
- 10.2 Any procurement exercise must be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 10.3 A range of statutory provisions enable the Council to acquire property through agreement for either the delivery of its services and functions or for the benefit, improvement or development of the borough (s120 Local Government Act 1972. S227 Town and Country Planning Act 1990).
- 10.4 Such provisions specifically permit acquisition, notwithstanding that the property is not immediately required.
- 10.5 The delegations sought are constitutionally sound and are consistent with existing delegations made to Executive and other Directors.

11. HUMAN RESOURCES IMPLICATIONS

- 11.1 The expansion as set out in this report will require an increase in recruitment to ensure sufficient human resources for the running of the new homes. Employment matters will be dealt with in accordance with established HR procedures in order to achieve the proposal.

12. WARD IMPLICATIONS

- 12.1 The wards in which any new homes will be located are to be determined.
- 12.2 All new homes established within the Borough will be subject to full planning approval requirements before proceeding with operations as an Ofsted registered Children's Home.

13. BACKGROUND PAPERS

- 13.1 Children in Care and Care Leavers Sufficiency Strategy - [NELC children in our care and Care Leavers sufficiency strategy \(nelincs.gov.uk\)](https://www.nelincs.gov.uk/nelincs-children-in-our-care-and-care-leavers-sufficiency-strategy)

14. CONTACT OFFICER(S)

- 14.1 Paul Cowling – Service Director Regulated Services
- 14.2 Queenie Carrie – Deputy Service Director Regulated Services

COUNCILLOR MARGARET CRACKNELL
PORTFOLIO HOLDER FOR CHILDREN AND EDUCATION

