

Appendix B

Lancashire CLA
Residential Strategy
March 2017 – March 2019

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1. Scope of the Strategy

Residential settings for children looked after (CLA) covers a broad range of provision: Children's Homes (mainstream and smaller complex units); Residential Schools; Semi-Independent/ Leaving Care placements for 16 and 17 year old CLA; Hospital/ placements in health provision; Mother and Baby Assessment Units; Secure Remand and Welfare placements.

Due to a significant increase in usage over the previous twelve months, this strategy focuses on Children's Homes provision (both mainstream and more complex) for CLA placed by Children's Social Care. CLA placements made by our Special Educational Needs and Disabilities (SEND) Service have not been included, as numbers placed are small and SEND placement costs have remained stable. Learning from good practice within SEND will be used to inform the delivery of this strategy. Overtime this strategy may be expanded to include broader CLA residential provision.

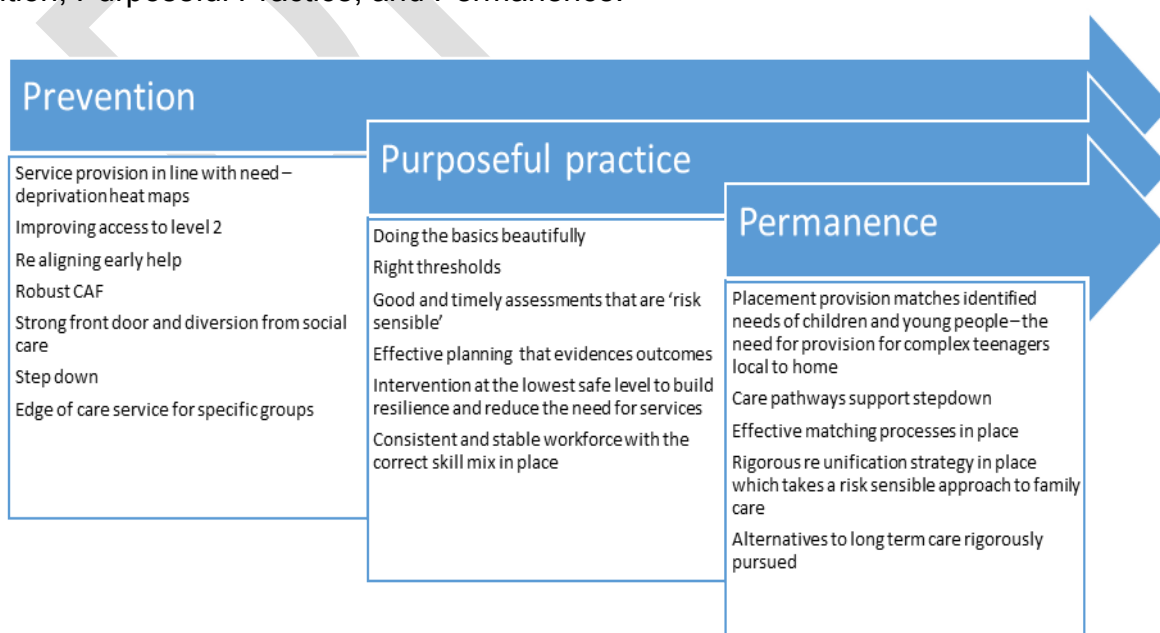
2. Vision and Aim of the Strategy

A 'Sufficiency Duty' is made of Local Authorities under the Children's Act 1989 (Section 22G). The Sufficiency Duty requires Local Authorities to improve outcomes for CLA by requiring Local Authorities to take steps that secure sufficient accommodation to meet the needs of children in their care.

This CLA Residential Strategy seeks to build on and drive forward the actions relating to residential care identified in Lancashire's CLA Sufficiency and Commissioning Effective Placements Strategy (2014-2017). Specifically it seeks to:

- Reduce numbers of CLA in residential placements
- Ensure that appropriate placements are available to best meet the needs of our CLA
- Ensure that best use is made of available resources and best value for money is achieved

This strategy is one part of a wider demand management strategy, which has three elements: Prevention; Purposeful Practice; and Permanence.



3. Principles and Values Statement

- The decision about where a child is best placed is made according to the assessed needs of the child or young person and in line with their views and wishes. Where a plan for fostering is in the child's best interests and in line with their views and wishes, LCC will only place in residential provision once all available fostering options have been fully explored. The IRO Service will undertake rigorous reviews to ensure placements continue to meet the needs of our CLA.
- Sufficient and varied residential provision will be available to support the sourcing of the most appropriate placement possible for Lancashire's children looked after.
- LCC will continue to provide in house residential placements for our CLA to include both complex and mainstream residential provision.
- LCC will continue to strive towards achieving *Outstanding* Ofsted judgements in all its in-house Children's Homes. Learning will be taken from outstanding in-house homes and buddying/ peer support systems will be established to support LCC residential managers.
- Whilst LCC will continue to strive to place CLA in residential provision judged to be either *Good* or *Outstanding* by Ofsted in the first instance, it is recognised that there may be occasions when a young person's needs could be best met in a Home with a less than *Good* rating. These will be considered on an individual basis.
- Wherever possible and in the child's best interests, local residential placements will be made in order to ensure that young people retain links to their communities, whilst ensuring they receive best possible care. Children will only be placed further afield where this is in accordance with their assessed needs.
- Work with Providers will be collaborative, with shared best practice and agreement of common values and outcomes.
- We will rigorously pursue cost effectiveness and will review our commissioning arrangements to ensure best value for money is achieved.
- CYP will only move placements if the change is absolutely in their best interest. Changes will be planned and managed with safety, sensitivity and utmost care.

4. Strengths

- Lancashire is well placed in relation to residential care provision, with the highest number of children's homes placed within its boundaries (94 homes as of March 2015) than any other Local Authority in England. A quarter of all homes are located in the North West region, including 40% of all small (1-2 bed) homes.
- The above means that Lancashire is able to place a lower percentage of young people in children's home placements outside of the Local Authority boundaries compared to national figures. An independent review of children's residential care found that 41% of children's home placements nationally were placed within the placing authorities boundaries, compared

to 61% of Lancashire children's home placements.

- Unlike some other Local Authorities, Lancashire has continued to provide in-house children's home placements. The County Council currently runs 10 in-house children's homes, located across the county, 80% of which are judged to be good or outstanding (as of December 2016).
- As of 1st August 2016, Lancashire has new commissioning arrangements for agency residential care. 40 providers and 202 homes have been accepted onto the new CLA Agency Residential Flexible Agreement. As of the end of December 2016, 81% of homes accepted onto the Flexible Agreement were rated good or outstanding. Placement referrals are now sent to a much wider number of providers, therefore increasing the likelihood of identifying a choice of placement offers for Social Workers to consider.
- The County Council participates in joint work with other North West authorities. This allows for information sharing regarding good and poor practice in residential settings and sharing of Ofsted intelligence regarding residential ratings.

5. Strategic Overview and Key Priorities

LCC's current children's home provision is based on a previous strategy of the Local Authority providing accommodation for mainstream CYP (in 10 large six bed homes) and agency providers accommodating more complex young people.

Significant changes has resulted in the need to rethink this strategy, including:

- the new Ofsted children's home inspection regime and providers becoming more risk averse at taking very complex cases in order to protect Ofsted ratings;
- increased numbers of CLA, a national shortage of foster carers and increased use of local provision by other Local Authorities resulting in providers being able to 'cherry pick' referrals;
- spiralling CLA placement costs, particularly in relation to agency children's home placements;
- significant concerns raised by Ofsted through the Annual Conversation re. LCC's residential provision.

The revised strategy focuses on the need to reduce the number of CYP coming into care through the expansion of the existing outreach offer and support to families. It also focuses on the delivery of a broader and more flexible range of in-house residential provision to meet the needs of our CLA, incorporating a mix of both mainstream and more complex units. This includes the establishment of the already agreed highly complex needs unit (The Bungalow) - Cabinet Member and Capital Board approval has been received, with an anticipated opening date of September 2017. To address concerns raised by Ofsted in relation to unplanned and emergency placement and poor placement matching, the strategy also includes the proposed establishment of a crisis unit, for very short term use only (over the weekend).

The Access to Resources Team proposal, previously presented to Management Team, supports and complements the revised residential strategy in relation to placement finding, placement cost, more effective commissioning and greater market management. The team has been in place since 20th February 2017, and within its first month has achieved savings to placement costs of £3,700 per week. The team has also supported securing complex agency residential placements for 3 CYP, supporting better utilisation of in-house provision by avoiding bed blocking, reducing risk of negative inspections and the avoidance of costly bespoke options. The

team continues to operate without additional resource. This means that aspects included within the original vision for ART, such as contract monitoring and market management, are only happening on a very limited basis. In addition, wider commissioning capacity has been prioritised to ensure ART works.

ISSUES	ACTIONS TO ADDRESS	OUTCOMES ACHIEVED
Large number of teenagers coming into care on a 'voluntary' basis due to family breakdown	Strengthen outreach offer Pilot Adolescent Support Unit	Reduced numbers of CLA through preventing coming into care and unification with families
Section 20 CYP placed in agency residential provision costing £0.125m per week	Consistent application of the Section 20 charging policy Consistent approach to health/ education contributions	Reduced numbers of CLA in agency residential provision
CLA ending up in residential provision inappropriately due to poor placement finding/ poor quality referrals/ lack of complex fostering provision	Improve placement finding Better scrutiny of placements Work with providers to develop bespoke complex placements	Reduced spend on CLA placements CYP placed in right placement, at right time, at right cost
High number of placements required in an emergency	Develop step down into fostering provision Creation of complex in-house beds to increase utilisation of mainstream homes	Sufficient residential provision to meet need
Provider risk aversion to take complex CYP due to impact on Ofsted ratings	Consideration of collaborative block purchasing complex beds with other authorities	Reduced emergency referrals and unnecessary inflated placement costs
In-house provision left with no choice but to place complex CYP in mainstream homes	Creation of crisis unit to de-escalate/ prevent breakdown/ enable sourcing of best value placements	Improved placement stability, leading to improved CYP outcomes
In-house homes at risk of being downgraded or having restrictions placed, reducing number of beds available		Improved in-house Ofsted ratings

It is proposed that an Adolescent Support Unit is developed in line with the model developed in Blackburn with Darwen, which resulted in a reduction of teenagers coming into care from 47 in 2008 to 18 in 2013/14. Analysis of this provision by iMPower evidenced a success rate of preventing young people coming into care of between 74-88% following intervention. Savings attributed to this model are £1.2m (2013/14) or £0.848m after running costs. Success rates reported by other areas range from 25% to 75%. The success rate for Lancashire's proposed ASU has been calculated on an estimated 60%.

It is also proposed the Outreach Service is increased by 3, to 10 staff. The 3 staff will focus on supporting Section 20 CYP based in external placements (currently a cohort of 54 CYP). Each staff member will hold a caseload of 17 CYP, enabling 51 CYP to be supported. Newton Europe estimated that 1 in 13 Section 20 CLA could be reunified. By targeting support to CYP most likely to successfully return home (in care for less than 26 weeks) a success rate of 1 in 6.5 has been assumed. Simply redirecting 3 existing outreach staff from prevention to reunification work will result in an increase of CYP coming into care, estimated to be c.22 CYP.

It is proposed that the new provision identified (adolescent support unit, crisis unit, complex

units) is initially delivered in-house (see Appendix 1 for overview of proposed in-house residential provision). Whilst there are other options (i.e. commissioning directly from providers or working in partnership with providers to deliver) the challenge of providers refusing to take complex CYP remains and timescales for implementation are likely to be significantly longer due to the need to procure services. However, within the timescales of this strategy, we will review our current commissioning approach, including the consideration of block contracting arrangements for complex needs beds, in partnership with neighbouring authorities.

In addition consideration will be given to the development of a social impact bond arrangement linked to the Life Chances Fund to support a reduction in residential provision through the development of step down into fostering provision, in line with the approach taken in Birmingham.

We will also consider options for embedding FGC within the Wellbeing, Prevention and Early Help Service and the Outreach Service.

The anticipated benefits of introducing the identified actions include:

- Reducing the number of CLA through prevention and reunification) via the provision of outreach support, family group conference and respite provision;
- Ability to place more complex CYP in-house without impacting on settled mainstream CYP and therefore maximising the use of our mainstream provision through the provision of complex needs units;
- Ability to manage emergencies and prevent placement breakdowns through the provision of a crisis unit
- Increasing placement stability through improved placement choice and therefore improved outcomes for CYP
- Increased Ofsted confidence in Lancashire's ability to manage residential provision.

Non cashable savings associated with these proposals include:

- reduced risk of Ofsted restrictions on in-house admissions
- reduced social work caseloads (potential long term cashable savings)
- reduced long term cost on public services resulting from the impact of childhood instability and trauma

6. Financial Summary

- The Authority spent c.£25.7m commissioning CLA residential (including leaving care) placements from external providers in 2016/17, **an increase of £10.1m** compared to 2015/16. It is estimated that c.90% of the increase is attributable to children's home and secure welfare placements.
- Data at 31st January 2017 indicates that the annualised cost of Section 20 (voluntary) placements is £12.1m, including £6.5m for children's homes. Evidence from Newton Europe's Review of Children's Services shows that many of these could either be avoided (1 in 4), or with the right support, reunified (1 in 13). LCC's Section 20 charging policy, designed as a potential deterrent to Section 20 placements, is not currently being consistently applied.

- The average cost of the cohort of CYP in external children's home placements at 31/1/17 was £3,022/ week. Secure welfare placements typically costs c. £5,500/ week.
- The 10 highest cost external placements total £57k/week. Ensuring sufficient placements are available in the right mix of settings will be key to lowering unit costs.
- Blocking in-house beds to accommodate complex CYP reduces available capacity and increases unit cost. Occupancy levels in 2016/17 to date have averaged 75%, resulting in an average direct weekly cost of £2,591/week (ranging from £1,820/ week to £4,663/week).
- Investment in the Outreach and Family Group Conference Services has produced very successful outcomes through step-down and prevention into care. These services can cost less than £2k per intervention/ annum, compared to a **minimum** placement cost of c.£20k for fostering and £100k for residential.
- The contribution from Education and from Health (to the therapeutic element of residential support packages) is very low in Lancashire because of a lack of clarity/ protocol as to how and when funding is pursued. For example CIPFA benchmarking shows that the contribution from health to overall CLA spend in Lancashire was 1.3% in 2016/17 compared to an average of 6.6% for other participating local authorities.

Cost of proposals

The proposals will require an initial investment outlay to refurbish and register in-house homes, and revenue budgets will also need to increase. The additional cost, along with the anticipated impact on service delivery levels, is presented below:

	Capital (£m)	Annual Revenue funding (£m)			FTE's (No's)	Activity levels (Homes = bed capacity Services = no. CYP)		
		2017/18 approved	Proposed	Increase		Increase	Current	Proposed
Outreach services	0.000	0.353	0.370	0.017	3.0	117 CYP	168 CYP	51 CYP
Mainstream in-house units	0.000	4.725	4.725	0.000	0.0	48 beds	48 beds	-
Complex need units	0.000	1.126	1.126	0.000	0.0	6 beds	6 beds	-
The Bungalow - High complex unit*	0.100	0.535	0.535	0.000	12.8	2 beds	2 beds	-
Crisis support unit	0.050	0.000	0.292	0.292	5.0	-	2 beds	2 beds
Adolescent support unit	0.010	0.000	0.423	0.423	10.0	-	60 CYP	60 CYP (4-beds)
Management / admin support	0.000	0.214	0.293	0.079	2.0			
TOTAL	0.160	6.953	7.764	0.811	32.8	6 additional beds Support for 11 additional CYP		

*The unit is not yet operational but the proposal is incorporated into the approved 2017/18 budget

Financial savings

The proposals will deliver savings by avoiding/de-escalating need and preventing placement breakdown thus reducing numbers coming into care.

Reshaping the in-house service will reduce average direct unit cost of the 10 current homes from £2,591/week to c.£2,193/week. Lower unit costs for crisis and high complex placements than currently paid to external providers are anticipated (of c.£400/week) but will depend on occupancy.

The following table provides an estimate of the anticipated savings in the three financial years to 31st March 2020 from establishing an adolescent support unit, crisis unit and an enhanced outreach service:

	Nature of Saving	2017/18 £m	2018/19 £m	2019/20 £m
36 Adolescents Prevented from Coming into Care	Cost Prevented	0.111	2.144	3.185
1 In-house Foster Placement Breakdown Avoided	Cost Prevented	0.000	0.121	0.121
8 CYP Returned Home	Saving	0.000	0.140	0.253
Anticipated Prevented/Savings	Costs	0.111	2.405	3.559

Reshaping the in-house residential service will maximise use of in-house provision as opposed to external residential provision and therefore improve the cost effectiveness of provision.

Additional costs are expected to be minimal and will be subject to ongoing review.

Savings from increased utilisation of in-house provision are expected to be £0.041m in 2017/18, £0.747m in 2018/19 and £0.995m in 2019/20 and beyond.

	Nature of Saving	2017/18 £m	2018/19 £m	2019/20 £m
Increased Utilisation of In-house Provision	Saving	0.041	0.747	0.995
Anticipated Prevented/Savings	Costs	0.041	0.747	0.995

This is considered to be a conservative estimate for the following reasons:

- The savings attributed to the 36 adolescents is based on a 'blended' cost of placement types. Priority will be focussed on residential care – both prevention to - and returning home from - these settings.
- Evidence suggests that between 60-80 CYP per annum can be supported through an ASU. Calculations have been based on the lower figure.
- No savings have been attributed to the high-needs complex unit because whilst the objective is to always fill two beds it is anticipated that there will be times when the unit may accommodate only one YP. Priority will be given to LCC YP but there is an option to trade the service in the unlikely event of low demand.
- Similarly no savings are anticipated from the crisis unit but non-cashable savings will apply.

The financial impact of the changes will be regularly monitored against the success measures. If savings are not achieved, or could be maximised in different ways to those detailed in this report, proposed changes will be presented to Management Team.

7. Key Performance Indicators

The following Key Performance Indicators will be monitored and reported quarterly:

Key Performance Indicator	Current Levels	Target by March 2019
Reduction in the Number of 10-17 Year Olds Starting to be Looked After who are Accommodated Under Section 20	140 in 2015/16	104 ¹
Reduction in the Number of CLA in Residential Children's Homes	165 (November '16)	136 (Levels as of February '14)
Reduction in the Proportion of CLA in Residential Children's Homes compared to placements overall (excluding those placed for adoption)	8.6% (September '16)	7.6% (National average as reported by Narey)
Increased numbers of in-house Children's Homes placements	45 (November '16)	54 (Levels as of February '14)
Reduction in ratio of agency children's home to in-house children's home placements	73:27 (November '16)	60:40 (Levels as of February '14)
Reduction in the number of agency residential children's homes placements required in an emergency (same day)	55% (September '16)	30%
Reduction in the number of repeat referrals for agency residential placements	40 per annum (2016)	20 per annum

¹ Please note that this target assumes numbers are in line with levels as of 2015/16 and does not take into account any new demand pressures. Projections do indicate that numbers of CLA are likely to rise, which would have an impact on this target.

APPENDIX 1: Overview of Purpose of Proposed LCC Children's Homes

Type of Home	Statement Of Purpose
<p>Adolescent Support Unit (ASU) (1 x 4 bed home) Proposing to pilot in Slyne Road (currently a closed LCC children's home)</p>	<p>Providing respite/ short break placements for a maximum of 3 days a week for:</p> <ul style="list-style-type: none"> a) Teenage CYP/ families on the edge of care to prevent family breakdown and the need to come into care, alongside intensive outreach support b) CYP in in-house foster care placements to prevent placement breakdown, alongside intensive outreach support <p>- Outreach support will also be provided via staff in the ASU and via LCC's wider Outreach Team to further CYP and families on the edge of care and to CYP already in care to support reunification back with families</p>
<p>Assessment Unit (1 x 6 bed home) Eden Bridge</p>	<p>Providing short term placements (up to 3 months) where:</p> <ul style="list-style-type: none"> a) A CLA/ family has been assessed as needing intensive support and interventions to rebuild relationships with family/ carer to quickly and safely return home b) A CLA is not known to Children's Social Care and an assessment is required in order to determine best type of placement
<p>Highly Complex Needs Unit (1 x 2 bed home) The Bungalow</p>	<p>Providing medium term placements (6-9 months) for our most complex CLA (where agency providers have refused to take; as an alternative to a secure welfare placement; agency placements offered are in excess of £5,500)</p> <ul style="list-style-type: none"> - Very clear outcomes to be achieved and clear exit plan established from the outset
<p>Complex Needs Units (2 x 3 bed homes) Marsden Hall Road and Grange Avenue</p>	<p>Providing medium term placements for our very complex CLA (where agency providers have refused to take or agency placements offered are in excess of £4,000)</p> <ul style="list-style-type: none"> - Very clear outcomes to be achieved established from the outset. - Placements to be kept under regular review and young people moved on as and when appropriate. Only in exceptional circumstances will such placements be made permanent. - Provision of independent living accommodation at The Willows as a planned move into independence for former residents of The Willows
<p>Mainstream Homes (7 x 6 bed homes) Bowerham; Thornton; Chorley Hall Road; Crestmoor; The Haven; The Willows and Warwick Avenue</p>	<p>Longer term placements for our least complex CLA</p> <ul style="list-style-type: none"> a) Where residential care is the plan for permanence b) Where longer term support is required to facilitate a return home/ step down into fostering c) Whilst independence is achieved <p>In addition, independent living accommodation is available at The Willows as a planned move into independence for former residents of The Willows</p>
<p>Very Short Term Crisis Unit (2 bed home) Proposing to reopen South Avenue (currently a closed LCC overnight short breaks home for children with disabilities)</p>	<p>Providing very short term (maximum of 4 nights – Fri to Tues) emergency placements for CLA in crisis:</p> <ul style="list-style-type: none"> a) Who are new CLA and a placement has not been able to be sourced/ more time required to source appropriate placement b) Where a placement has ended at very short notice and an alternative has not been able to be sourced and more time is required to source an appropriate placement c) Where respite/ 'time out' is required to defuse a situation which is otherwise highly likely to breakdown/ result in immediate safeguarding issues. Likely to be mainly for CLA in in-house residential provision but opportunity to utilise for CLA in agency residential provision in order to prevent placement breakdown