

Report to the Cabinet

Meeting to be held on Thursday, 15 June 2017

Report of the Head of Fostering, Adoption, Residential & YOT

Part I

Electoral Divisions affected:
All

Residential Strategy

(Appendices 'A' and 'B' refer)

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Executive Summary

This Children Looked After (CLA) Residential Strategy, set out at Appendix B, 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.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

Recommendation

The Cabinet is asked to note and agree the strategy as set out at Appendix B.

Background and Advice

Lancashire County Council's (LCC) current children's home provision is based on a previous strategy of the Local Authority providing accommodation for mainstream

children and young people (in 10 large six bed homes) and agency providers accommodating young people with more complex needs.

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

- The new Ofsted children's home inspection regime and providers becoming more risk averse and reluctant to take 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 proposed strategy is based around addressing these issues, and is attached at Appendix B.

There will be an initial cost implication to establishing the Adolescent Support Unit (ASU), Crisis Unit and Extended Outreach. However it is anticipated that there will be long term cost savings following the implementation of the strategy.

Consultations

None

Implications:

This item has the following implications, as indicated:

There will be an initial cost implication to establishing the Adolescent Support Unit (ASU), Crisis Unit and Extended Outreach. However it is anticipated that there will be long term cost savings following the implementation of the strategy.

Risk management

Financial Implications – Outreach Services

The existing Outreach Team of seven staff has a provisional budget for 2017/18 of £0.352m. The units will take time to establish and as such the proposals outlined in this report are expected to cost an additional £0.266m in 2017/18 and £0.811m in 2018/19 and beyond, as outlined in the table below. Costs include staff, non-staff and one off set up costs.

	Adolescent Support Unit £m	Extended Outreach £m	Crisis Unit £m	Management and Business Support £m	Total £m
Staff Costs	0.358	0.345	0.232	0.076	1.011
Non-Staff Costs	0.065	0.025	0.059	0.003	0.152
Total	0.423	0.370	0.291	0.079	1.163
Less Current Budget Provision					-0.352
Additional Cost					0.811

	Operational Start Date	2017/18 £m	2018/19 £m	2019/20 £m
Initial Set Up Costs - ASU and Crisis Unit	N/A	0.086	0.000	0.000
Adolescent Support Unit	Dec-17	0.141	0.423	0.423
Extended Outreach Service	Dec-17	0.013	0.017	0.017
Crisis Unit	Apr-18	0.000	0.292	0.292
Management and Business Support	Dec-17	0.026	0.079	0.079
Total		0.266	0.811	0.811

Based on other models of best practice it is anticipated that the ASU will support a minimum of 60 adolescents per annum at an average support cost per adolescent of £7,050 per annum whilst the extended outreach team will support 168 CYP per annum at an average cost of £2,202 per CYP per annum.

It is anticipated that the ASU and Outreach Service will impact on Children's Social Care spend in a number of ways. The service will generate savings by reducing numbers coming into care and the cost associated with this, avoiding/de-escalating need and preventing placement breakdown. The crisis unit is not expected to generate cashable savings.

Savings from the ASU and Outreach Service are expected to be £0.111m in 2017/18, £2.405m in 2018/19 and £3.559m in 2019/20 and beyond and will be generated from the following as outlined in the table below.

- Preventing CYP coming into care and associated placement costs. Based on a 60% success rate it is anticipated that the ASU will prevent 36 CYP coming into care per annum. This would represent a reduction of 25% of Section 20 (voluntary) adolescents coming into care per annum, based on the figure for 2015/16 of 140.
- Preventing breakdown of fostering placements.
- Reducing time in care for existing looked after CYP. The service will support the return home of 8 looked after CYP based on reunifying 1 in 6.5 of the current cohort (as at February 2017) of 54 CYP accommodated under Section 20 with external providers.

Whilst reducing numbers in care will reduce social work caseload (all other things being equal), at this point it is difficult to estimate the impact of this. The anticipated savings below represent a reduction in placement costs.

	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 Costs Prevented/Savings		0.111	2.405	3.559

Whilst it is anticipated that the Outreach Service will prioritise targeting Section 20 CYP in agency residential provision, the figures above are based on a weighted average ('blended') cost (£1,438 per week) of different placement types and the average duration of Section 20 placements (62 weeks).

The table below shows the anticipated net cost/savings resulting from this proposal.

	2017/18 £m	2018/19 £m	2019/20 £m
Additional Funding Required	0.266	0.811	0.811
Anticipated Savings	0.111	2.405	3.559
Total	0.155	-1.594	-2.748

Financial Implications – In-house Residential Services

Reshaping the in-house residential service as detailed in Appendix B 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 Costs Prevented/Savings		0.041	0.747	0.995

There are a number of risks associated with not implementing the strategy. These include rising numbers of children becoming looked after and costs associated with this, lack of sufficient accommodation to meet the needs of Lancashire's Children Looked After, reputational risk of negative Ofsted judgements and lack of ability to place some of the most complex and vulnerable Young People in Lancashire.

Legal – Local authorities are under a legal duty to secure where reasonably practicable sufficient accommodation for children looked after in their area (the "Sufficiency Duty"). The Sufficiency Duty encompasses a number of legal obligations set out in the Children Act 1989 including the duty to provide a range of services, to provide accommodation to children who cannot reside with their families and to ensure

that children are placed in the most appropriate accommodation commensurate with their needs. In order to meet these duties a local authority must have sufficient accommodation in its area in order to provide suitable placements. This not only requires a range of providers but also access to different types of accommodation to meet the different needs to children at any given time. Government guidance issued in 2010 specifically states that local authorities should have in place a strategy for reducing constraints over time which may include building their own capacity. The guidance also specifically referenced short term and emergency accommodation and points to a need for emergency stand by accommodation used with a view to avoiding longer term care.

At present the County Council is at risk of not meeting the Sufficiency Duty. The proposal in the report if approved would extend the range and type of accommodation available to the County Council in line with the Children Act 1989 and the 2010 guidance.

Property Asset Management – The strategy relies on the use of previously vacated Local Authority properties, one of which was previously identified for market release.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		