

TRAFFORD COUNCIL

Report to: Executive
Date: 22nd February 2016
Report for: Decision
Report of: Executive Member for Children's Services

Report Title

Review of In-house Children's Homes

Summary

This report sets out the recommendations from a review of Trafford's in house children's homes. The public consultation on the 2016/17 budget proposals signalled a review to look at a range of options to reduce the costs and demands on our children in care services. The review of internal provision forms one part of that.

The Council currently operates 3 Children's Homes: a 6 place unit (Kingsway Park), a 5 place unit (Old Hall Road) and a 2 place unit (Fairview). An Executive Decision was taken in December 2014 to close Fairview and to open a new 3 bed unit in its place at Flixton Road. Planning permission has been granted for the development of the Flixton Road site into a 3 bed Children's Home. The redevelopment of Flixton Road was put on hold pending the outcome of this review. The building is currently used as an office base for the Outreach team who will relocate to a more appropriate site.

A detailed financial analysis has been undertaken to understand the unit costs of in house provision and that has been benchmarked against the external market. We have also considered capacity in the external market and the challenges created by the high levels of demand that currently exist.

The total annual running costs for Fairview, inclusive of staffing are £551,140. Therefore the annual unit cost of each placement is £275,570 (£5,299 per child per week). This compares to far lower unit costs at the other two residential units and in the external market. There is also a Corporate Landlord budget of £14,266 attached to Fairview that would be released if the site is subject to disposal.

It is a recommendation of the report that we proceed with the closure of Fairview as originally planned. There is capacity in the system at Kingsway Park and we do not believe that the proposed 3 bed home at Flixton Road is financially sustainable. Therefore we recommend the proposal to open a new 3 bed home at 190-192 Flixton Road is withdrawn. This proposal will achieve a total annual saving of £551,140 and whilst it will reduce overall internal capacity by 2 beds there is currently under utilisation of capacity in the remaining homes with 4 vacancies.

There are currently 2 young people (both over 16 years old) placed in Fairview for whom alternative plans have been established as part of their natural transition. As a result we do not believe there is an adverse impact to those young people from the proposed closure of Fairview.

The proposal also means that both the Fairview site and the proposed site for development at Flixton Road will be released for consideration as part of the Corporate Landlord programme and may generate a capital receipt.

Recommendation(s)

- 1) That Executive approves the closure of Fairview Children's Home from April 2016.
- 2) That Executive approves the recommendation to not proceed with the establishment of a new 3 bed Children's Home at Flixton Road as previously agreed in December 2014.

Contact person for access to background papers and further information:

Name: John Pearce

Extension: X1901

Background Papers: **None**

Relationship to Policy Framework/Corporate Priorities	Value for Money Council Budget proposals 2016/17
Financial	The proposal achieves revenue saving of £565k. It will also release two sites for potential capital receipts.
Legal Implications:	Capacity is retained within the system to meet the Council's statutory duties.
Equality/Diversity Implications	The equality and diversity implications been taken into account.
Sustainability Implications	Not applicable
Resource Implications e.g. Staffing / ICT / Assets	There will be staffing implications which will be managed through existing Council procedures and processes.
Risk Management Implications	Not applicable
Health & Wellbeing Implications	The needs of the 2 outgoing residents at Fairview have been fully taken into account in this proposal. Planned moves are in place for both residents.
Health and Safety Implications	Not applicable

1.0 Background

Trafford currently runs 3 Children's Homes on an in-house basis: One 6 place unit (Kingsway Park), one 5 place unit (Old Hall Road) and one 2 place unit (Fairview). An Executive Decision was taken in December 2014 to close Fairview and to open a new 3 bed unit in its place at Flixton Road. Planning permission has been granted for the development of the Flixton Road site into a 3 place Children's Home. The redevelopment of Flixton Road was put on hold pending the outcome of this review

All of the above units have been scrutinised using the Zero Based Budgets approach. This has given a clear understanding of the unit costs of each home and how they compare to both each other and the external market. This exercise has identified a substantial challenge with the sustainability of Fairview due to its high unit cost equating to £5,299 per week for each placement. This was recognised in the previous review which resulted in the proposal to replace Fairview with a 3 bed unit at Flixton Road.

It is not a legal requirement for Local Authorities to run their own Children's Homes as long as sufficient provision exists to accommodate children in care through other sources. In December 2014 it was estimated that 33% of Local Authorities do not run their own homes but commission residential places from the external market if required for those young people.

Trafford's policy position in line with the national trend has been to focus on family based provision wherever possible. Our strategy has been to increase the use of in-house foster carers. This offers the best option for children who come into care, especially for emergency provision, while a full assessment and matching risk-assessment takes place. The private market for children in care provision has also been through significant development and re-shaping over the last few years.

For Local Authorities that do run their own Homes they must comply with the stringent regulations and Quality Standards attached to Children's Homes and are subject to Inspection by OFSTED. This is becoming more challenging and impacts on sustainability.

The Regulations prescribe nine Quality Standards which must be met by children's homes:

1. The quality and purpose of care standard
2. The children's views, wishes and feelings standard
3. The education standard
4. The enjoyment and achievement standard
5. The health and well-being standard
6. The positive relationships standard
7. The protection of children standard
8. The leadership and management standard
9. The care planning standard

2.0 The Proposal

2.1 Closure of Fairview Children's Home

Fairview is a 2 bedded residential children's home situated in the Timperley area of South Trafford.

2.1.1 Financial Analysis

In 15/16 the total annual running costs of Fairview inclusive of staffing were £551,140. Therefore the annual unit cost of each placement was £275,570. This is substantially higher than the unit costs of both Old Hall Road and Kingsway Park as they have economies of scale as a 5 bed and 6 bed unit respectively. Benchmarking against the average annual cost of an external residential placement with a specialist provider shows that is also substantially lower at £158,517. There is also a Corporate Landlord budget of £14,266 attached to Fairview which would no longer be required if the site is subject to disposal. The proposed closure would also release the site to the Corporate Landlord programme and potentially enable a capital receipt to be achieved. We are also exploring redevelopment opportunities with investors for alternative provision on the site.

2.1.2 Impact on Current Residents

There are currently 2 young people living at Fairview and both are over 16 years old. Transition planning with both young people is well advanced and has been ongoing due to the original proposal to move to a new site at Flixton Road. This natural transition point as the young people resident at Fairview move towards independence gives a time limited opportunity to close Fairview at this time with minimal impact. Any decision to retain the home and place new young people there would require a long term commitment to ensure effective care planning. There is sufficient capacity in the system to manage the planned moves of these two young people and therefore the full costs of Fairview can be released as a saving for the 2016-17 financial year.

2.1.3 Maintaining sufficiency of placements

There is currently spare capacity in the system to offer in house residential placements, specialist fostering and aftercare as appropriate. We are also undertaking a substantial piece of work with the external market to ensure ongoing sufficiency of placements for young people with similar needs. We believe that there is sufficient capacity not to require the planned development of the 3 bed unit at Flixton Road (see below)

2.1.4 Staffing implications of the closure of Fairview

If the recommendations within this report are agreed a formal HR consultation process with affected staff would be undertaken. We would expect to be able to manage the proposed reduction in staffing through redeployment and natural wastage. There are number of posts in other areas of the Directorate for which the skill set of staff at Fairview would be applicable. The manager post at Fairview is currently vacant and is being covered by the Placements Manager. This arrangement can only continue for a maximum of 3 months to remain compliant with Children's Home statutory regulations. The above actions would reduce the potential costs associated with redundancy and enable a significant number of skilled staff to be provided with on-going employment opportunities.

2.1.5 Future Plans

As part of the review of all in-house Children's Homes provision we are also considering the potential for changing the remaining existing provision and working with a partner on exciting high quality purpose built developments. These future approaches and plans will be informed by the outcome of the Narey Report due to be finalised by May on best practice in residential children's homes.

2.2 Flixton Road

Following the review of capacity and financial analysis of unit costs across all residential provision it is also recommended to Executive that we do not proceed with the development of a 3 bed unit at Flixton Road. An Executive report was submitted for approval in December 2014 to close Fairview and open a new home at Flixton Road. The development at Flixton Road has been on hold pending the outcome of this review.

The evidence gathered through the review indicates there is sufficient capacity in the system at present without the additional 3 beds planned at Flixton Road. The projected unit cost of Flixton Road would be £3,410 per week for each placement substantially above both the unit costs of Old Hall Road (£2,181 per week) and Kingsway Park (£1,786 per week) and higher than those in the external market (£3,048 per week). Therefore the long term sustainability of a new home, particularly with the increasing challenges of external regulation, cannot be evidenced. The site could either be released to potentially create a capital receipt or other options for redevelopment considered.

3.0 Other Options

3.1 Fairview to remain open and function as a respite home.

Some Local Authorities are developing models of converting existing Children's Homes into Respite Centres where short-term residential support is offered to children on the edge of care to alleviate the pressure at home or allow a cooling off period following an incident or breakdown in relationship. Such centres do not run at full capacity as they have to have availability to offer respite as and when required so the costs of running the unit are the same as if they were full-time but they are rarely full at any one time.

Blackburn and Darwen Council have opened a home which provides respite care as part of their Edge of Care Strategy. Fairview could be used in a similar way and the home could potentially be designed to become an integrated component of the package of resources to support children who are at risk of entering into care (Transformation Project known as Keeping Families Together). The Steering Group for Keeping Families Together have identified the value of having a respite offer but are proposing to use the Specialist in-house Fostering Provision known as Me2 for this provision.

Maintaining Fairview as a respite home would not generate any financial savings and it would not offer the best alternative solution to respite. Therefore it is not recommended.

3.2 Maintain Fairview in its current format

A further alternative is to maintain Fairview in its current format and use it as a base for the Multi-Systemic Therapy ('MST') Fit programme. The costs of running Fairview would stay the same but we may be able to introduce a new model of working to the Children's Home. Trafford have been awarded a one-off grant for the development of the 'MST fit' programme. The funding is time limited and only available to train staff in a new model of intervention. The MST Fit model is designed to help support our most challenging young people who are in the care of Trafford. The programme is time limited and each child who enters the programme either returns home or moves to an alternative step down placement.

If this option were to be considered there would be no immediate cashable saving but there may be a saving by being able to target young people who would usually be sent to an External Residential Home and work with them to be able to cope in a lower level placement or even go home. We are also exploring a similar approach through the proposed Keeping Families Together Model but we are proposing to use Me2 Fostering Placements in this way.

The option to keep Fairview open to work to the MST Fit model would not generate any savings. An alternative approach to utilising the MST Fit Grant, which is more appropriate to our future model of delivery in Trafford, has been proposed. Therefore this option is not recommended.

4 Consultation

The review of in-house Children's Homes Provision has been put forward as part of the Public Consultation on the budget proposals for 16/17. No further public consultations would be required for this proposal. Consultations with staff have been considered in 1.1.5 above and will be proceed through formal HR process if the recommendation is agreed.

5 Reasons for Recommendation

The closure of Fairview offers a saving of £551,140 per annum whilst not compromising the capacity required to meet the needs of vulnerable young people. Whilst we will reduce the number of internal beds available from 13 to 11 there are currently only 10 young people resident in those places. The needs of the 2 existing residents have been fully considered and appropriate alternatives are available for them. The natural transition point for those 2 young people provides a short term opportunity to move to closure of the setting.

Key Decision Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance (type in initials).....HZ.....

Legal Officer Clearance (type in initials).....HK.....



[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*.....

.....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.