



Committee and Date

Cabinet

17 September 2018

REPORT OF THE PLACEMENTS FOR LOOKED-AFTER CHILDREN TASK AND FINISH GROUP

Responsible Officer: Tom Dodds, Performance Manager

Email: tom.dodds@shropshire.gov.uk Tel: 01743 253068

1.0 Summary

1.1 This report details the work carried out by Shropshire Council's Placements For Looked-After Children Task And Finish Group, looking into the challenges the council faces in providing residential care for its looked after children. The report also responds to proposals from Shropshire Council to develop its residential care provision for its looked after children.

2.0 Recommendations

2.1 The People Overview Committee recommends that Cabinet

- instructs the Director of Children's Services to draw up a detailed business case for:
 - two new two-bedroom specialist care residential homes;
 - a three-bedroom step-down care residential home
 - a lodge providing space for crisis care and respite care;
 - converting Chelmaren's statement of purpose to a children's home for long-term children; and
 - converting office space at Chelmaren to provide semi-independent accommodation for the council's looked after children who will soon be leaving care;
- delays building any step-down residential home, until the two specialist care residential homes are established and working successfully; and
- presents these proposals to scrutiny by September 2018.

3.0 Opportunities and risks

3.1 The proposals from Shropshire Council could result in better outcome for its looked after children that require residential care, by providing a stable home environment to the most complex children that it cares for. The proposals could also provide opportunities for older children leaving care to develop their independence and life skills before they leave the council's care.

- 3.2 Providing its own residential care will also help Shropshire council to retain and develop its residential care workforce.
- 3.3 The proposals may provide an effective return on capital investment. It would provide this return through savings on the money the council spends to provide private residential care to the council's looked after children.
- 3.4 The proposals could also provide the basis on which to develop a residential care business that could accommodate children looked after by local authorities. This would however carry with it many of the financial risks that are discussed in the main report.
- 3.5 The proposals from Shropshire Council would require some financial investment to build residential care premises or to buy properties to convert into residential care. These investments would be subject to the financial risk inherent in property transactions. There may be opportunities to mitigate this through identifying suitable properties through the One Single Estate programme.
- 3.6 There is a risk that rapid expansion of the council's homes for its looked after children could have a detrimental impact on its existing home. The group's recommendation for a staggered approach to any expansion should mitigate this risk.

4.0 Financial assessment

- 4.1 The task and finish group has seen an estimation of the likely costs of the proposals. These indicate that the proposals would either deliver a return on the council's investment, or would be cost-neutral while providing better care for the council's looked after children. The group believes these estimates to be reasonable, and anticipates the service will provide a rigorous financial assessment for Cabinet to consider.
- 4.2 Private sector placement costs for the most complex children have risen considerably in recent years, and continue to rise. These proposals not only mitigate the risks with relying on the private sector to supply placements, but also the impact of rising costs that the council would have no choice but to pay.

5.0 Background

- 5.1 In May 2018 the People Overview Committee agreed to set up a task and finish group to look at the significant challenges the council faces in placing looked after children in suitable residential care. This group also considered proposals for the council to build a number of new homes for its most complex and vulnerable looked after children.

- 5.2 The task and finish group learned that a surge in demand for specialist residential care had caused costs to rise rapidly. Pressure to maintain good Ofsted ratings also made many providers reluctant to work with children with complex needs.
- 5.3 The group heard proposals from Children’s Services to use its own expertise to set up its own homes for its most complex looked-after children. It also proposed a further residential home for children who could potentially leave care and return to their families.
- 5.4 The group recognised the significant challenges that the service faces in finding suitable placements for the council’s looked after children. It strongly supported proposals to two specialist care residential homes, and a step-down residential home. It therefore recommended that Cabinet ask the service to draw up a detailed business case for the proposals.
- 5.5 The People Overview Committee approved the Group’s report and recommendations at its meeting on 18 July 2018.
- 5.6 The Group’s report is attached as **Appendix 1**.

<p>Background Papers</p> <ul style="list-style-type: none"> • <i>Financial stability, cost charge and value for money in the children’s residential care market</i>, Institute of Public Care, Oxford Brookes University, June 2015 • <i>Residential Care in England</i>, Report of Sir Martin Narey’s independent review of children’s residential care, July 2016 • <i>Sufficiency – Statutory guidance on securing sufficient accommodation for looked after children</i>, Department for Children, Schools and Families, July 2010
<p>Cabinet Member (Portfolio Holder)</p> <p>The Portfolio Holder for Children and Young People</p>
<p>Local Member</p> <p>All</p>
<p>Appendices</p> <p>Appendix 1 – The report of the Placements For Looked After Children Task And Finish Group</p>



People Overview Committee

Report of the residential placements for looked after children task and finish group

July 2018

Acknowledgments

The group would like to thank the head of safeguarding and the adoptions and fostering manager at Shropshire Council for their significant contribution to this report. The committee would also like to thank the Shropshire Council placement officers and the residential home care workers and managers that they spoke to during the course of this review.

Members of the Task and Finish Group

- Cllr Peggy Mullock (chair)
- Cllr Pauline Dee
- Cllr Roger Evans
- Cllr Kevin Pardy
- Cllr Kevin Turvey

Introduction

This report details the work carried out by Shropshire Council's Placements For Looked-After Children Task And Finish Group, examining the challenges the council faces in providing residential care for its looked after children. The report also responds to proposals from Shropshire Council to develop its residential care provision for its looked after children.

Scope and focus of the work

The Children Act 1989 requires local authorities to safeguard and promote the welfare of children within their area. This includes a requirement to provide accommodation where the child's parent or guardian is unable to do so. Shropshire Council thus becomes the corporate parent of these 'looked after' children. Where possible, the aim is for a child to go home, either back to their family, their extended family, or with a permanent foster placement. However for some children, residential care is what is right for them. Some children will stay in residential care until they leave care as adults.

Like all local authorities, Shropshire Council is finding it harder to find the right home for its looked after children. Demand for both foster and residential care is growing faster than the supply of places available. Shropshire Council's Children's Services proposes a number of solutions to address this.

The objectives of the group were to:

- understand the profile of looked after children in Shropshire, and gain insight into the needs of the most complex children that the council looks after;
- learn about the private residential care market, and challenges the council faces when purchasing private residential care;
- understand the council's solutions to address these issues; and
- scrutinise these proposals to ensure that they are right for the council's looked after children.

What has the task and finish group done?

During the course of the review, the group:

- visited Shropshire Council's placements team for looked-after children, to hear about the pressures that they face in placing children
- held a half-day session with the council's head of safeguarding and fostering and adoptions manager, who provided significant background information about the council's looked-after children
- discussed four case studies of some of Shropshire Council's most complex children and

- met with some of Shropshire Council's residential care workers, to understand the challenges and rewards of working with some of Shropshire's most complex children.

Findings

Shropshire Council faces a number of challenges in providing care for its looked after children. A greater number of children are coming into its care, with a greater number of children with complex needs. This has resulted in a growing need for residential care.

The profile of looked children in Shropshire

At the end of March 2018, Shropshire Council was looking after 338 children, a net increase of 47 children in a year. Between 2008 and 2018, the proportion of children in Shropshire who became looked-after rose from 33 to 57 per 10,000 children. This mirrors a growth in the rate of looked-after children throughout England and Wales. Although the rate of looked-after children in Shropshire remains lower than the rate in West Midlands or England and Wales, the rate of growth here is faster and the gap is narrowing.

Although the number of children entering care is only marginally higher compared to the previous year, the number of children leaving care has dropped dramatically. There are two reasons for this. A third of the children who entered care were aged under 5 years old. This is primarily due to more effective child protection and earlier identification of risk. Although these younger children are most likely to leave care, they are also usually subject to considerable legal processes to decide who will care for them. This has resulted in a temporary spike in the number of looked-after children as Shropshire Council secures the long-term future of this cohort of younger children.

A similar number of children entering care in the previous year were aged over 13 years old. As reunification with home can be difficult to achieve, or because the needs of the young people are so complex, they are often unable to be cared for in a family setting. These children are therefore least likely to leave care. As a result of this, almost half of Shropshire Council's looked after children are aged between 13 and 17 years old. As well as looking after these children, Shropshire Council must help them to prepare to live independently when they leave care.

A growing number of the children who are entering care are at risk of significant harm. Of the 100 children that became looked after between April and November 2017, 48 met the threshold of experiencing significant harm. The group heard that these children are subject to care orders or police protection. This not only absorbs significant amount of time preparing for court proceedings, but this cohort of looked after children are also considerably less likely to leave care.

As well as being at a growing risk of experiencing significant harm, looked after children also have increasingly complex needs. There are numerous reasons for this. The council is seeing an increasing number of unaccompanied asylum seeking children, fleeing war zones or being trafficked. It is also seeing an increasing number of children experiencing physical and sexual abuse, substance addiction, and other problems previously more usually seen in urban areas of high deprivation.

The group discussed five cases of some of Shropshire Council's most complex and vulnerable looked-after children. The group identified that all five cases share several common themes:

- sexual or physical abuse, often at an early age
- self-harm, suicide attempts and violence towards others
- risky sexual, violent or drug abusing behaviour
- autism, ADHD or learning difficulties
- a repeated failure to return home
- family breakdown or an absence of any positive relationship at home and
- a repeated residential placement breakdown.

The group recognises the significant challenge faced in caring for vulnerable and often traumatised children with complex needs.

The challenge of providing care for looked after children

The increasing number of children with complex needs, or at risk of significant harm, has resulted in an increase in the number of children subject to care proceedings. The group heard that the majority of the children aged five and under who had come into care will be subject to court proceedings and will exit care either with a care plan of return home, adoption, special guardianship or long term fostering. However, to implement a child's care plan requires due legal process to be followed, such as adoption, revocation of care orders and applications for special guardianships orders, all of which can take some time to process.

There have also been increases in connected carer requests for assessment. The courts increasingly expect children to remain within their family network, combined with a higher threshold for adoption. This results in children remaining in care for longer while the long-term viability of a connected care placement is assessed. The group heard that connected care requests often result in more complex court proceedings. For example, it is not unusual to be instructed by the courts to complete more than one connected carer assessment for the same child, with paternal and maternal carers being assessed at the same time.

These proceedings place high demands on the time of social workers, supervisors and placement teams. Social workers are spending an increasing amount of time managing increasingly complex court cases. They have to travel longer distances to

maintain contact with children, undertake statutory visits and to complete assessments. Multiple connected care requests for a child result in multiple, lengthy assessments. Placement staff spend longer finding suitable placements in a market where there is a high demand for each placement. Contact teams are unable to meet the demand on their time, with increasing amount of contact work happening outside of normal working hours.

The group also heard that older children, particularly those with complex needs, are more likely to suffer a breakdown in foster placements and move into higher-cost residential care. The increase in number of older looked after children, and increase in number of children with complex needs, has resulted in a steady increase in the number of children in residential care. Those already in residential placements that break down require a move that usually result in a more expensive placements as additional staff support is put into place to meet the child's needs.

The market for residential care

The nationwide increase in numbers of looked after children, combined with an increased complexity of need, has resulted in a significant growth in demand for residential care. The group heard from the placements team that it was common to see a private provider receive up to 50 bids for a vacant place in one of their homes. This follows a long period of decline in the use of residential care, as local authorities closed homes and focussed their efforts into placing children into foster care. Accordingly, the recent significant growth in demand for specialist care for children with complex needs has not matched the supply of available places. Although there has been recent significant private equity in the private residential care market, the volatility of placements and small size of residential homes can quickly erode potential returns on investment. Furthermore, recent research by the Institute for Social Care shows that the residential care market has become highly fragmented, with many homes providing care for a very specific cohort of children, such as those with a specific behavioural disorder. Combined, these changes in the market place significant pressures on the council's ability to provide the right care for its looked after children.

The group also heard that residential care providers are inspected by Ofsted, and anything less than a 'good' rating from an inspection can result in significant loss of income caused by local authorities becoming unwilling to place their looked-after children in that home. This makes providers reluctant to take children with complex needs, and all too willing to terminate placements with children whose needs they are struggling to meet. The instability caused by a terminated placement can cause additional trauma to the child. In addition, identifying an alternative placement for the child usually results in a higher cost placement as the new supplier requires additional support for the child.

The group heard from the placement team, as well as the head of safeguarding, about the cost of residential care. The high demand for residential care, combined with the

greater support needed for children in care, had resulted in a considerable increase in the cost of care. Both the placement team and the head of safeguarding told the group that the cost of residential care for children with minimal additional need was around £3,000 a week. However the service currently had five contracts in place that cost the council £6,000 a week and above. Their highest care cost for a looked-after child was £12,000 a week, because the council has been asked to buy both spaces in a home for a single child with significant complexity in order to keep the placement.

Although Shropshire Council is part of a purchasing consortium that caps costs on a block purchase of 13 placements with a large provider, this cannot meet all of the council's needs. The group heard that in the year to January 2018, the service faced an increase of £1.5 million in residential placement costs compared to the previous year. Nearly £1 million of this increase was due to on-the-spot purchases, despite there being a decrease in the number of on-the-spot purchases that the council made.

As local authorities compete for placements, they are forced to look further away for availability, particularly for specialist care. This makes it harder for the child to maintain contact with family and friends, disrupts their education, and weakens the support that their social worker is able to provide. The group heard from the placements team that there were approximately 650 looked after children from other local authorities living in private residential care in Shropshire. Despite this abundance of capacity in Shropshire, the council places 14 children a significant distance outside of Shropshire. During visits to the placements team, the group heard that the council had recently placed a child in Cumbria and another in specialist care in Glasgow. The council had also recently had to choose between placements in either Manchester or Leeds for another child. Placements this far from Shropshire make it harder for the looked after child to maintain contacts with family and friends, disrupt the child's education and incur significant costs in terms of money and staff time for the council to maintain the placement.

The high demand for places means that the council increasingly has to place children with new, untested providers. Untested providers can be more likely to fail to provide a stable placements that meets the needs of the child.

The group is concerned that the national private residential market does not appear able to properly meet the needs of Shropshire Council's looked after children. As the children's corporate parents, the group is saddened to hear that the council sometimes has no choice but to place children far away from Shropshire, or in untested residential placements, or in placements with providers that are forced to decide between working long-term with its most complex children and maintaining a good Ofsted rating.

The group believes that Shropshire Council can do better for its looked after children.

The group heard that Shropshire Council sometimes struggled to find a placement for a looked-after child. As a result of this, the council recently had to temporarily close its Havenbrook centre, which provides short breaks for children on the edge of care, in order to accommodate a child that it could not find an acceptable placement for.

The group understands the considerable pressure that the council faces in finding residential care for its most complex looked after children. It is unfortunate that the service has to cancel much-needed respite care for vulnerable children, in order to provide emergency residential care.

Existing Shropshire Council residential care

Shropshire Council currently has two residential homes.

- Chelmaren provides residential care for five boys with complex needs. This provision was rated as good following its most recent Ofsted inspection, after four years of being rated as outstanding.
- Havenbrook provides short breaks for children on the edge of care. The aim is provide respite and space to children and their families to enable them to remain in the care of their families. This provision was rated as good following its most recent Ofsted inspection.

The group met with four staff members from these homes. The staff told the group that their work was tough but personally very rewarding. They told the group that staff turnover at both homes was very low, because they offered a mutually supportive environment in which to work, which prevented staff burnout and kept morale high. The staff also told the group that pay was much better than in the private sector, and that staff had access to an excellent training provision that could be tailored to their specific needs. However the small size of the residential service meant that development opportunities were limited, which meant that staff had to leave if they wished to further their career.

The group was impressed at the dedication the staff at Chelmaren and Havenbrook show to the children who work there. They agree that a stable team of well paid, well trained, highly motivated staff was more likely to provide the stability and understanding to build a strong relationship of trust with the children who live at the home, and noted that Chelmaren experienced very few placement breakdowns. The group agrees that these relationships are crucial if the council's looked after children are to thrive in residential care.

The group asked the service why Chelmaren had recently received a lower inspection rating than in previous years, and heard that the downgrade was a result of two factors. A failure to carry out a thorough risk assessment resulted in the arrival of a new child causing considerable disruption. The service recognised their error, made

alternative arrangements for the new arrival, and put into place a new procedure in place to properly consider the impact of potential new arrivals. Chelmaren also repaired damage repeatedly caused as a result of the disruption. Despite putting this into place, Ofsted judged the home to be good rather than outstanding.

The group accepts the reasons for the recent downgrading of the Chemaren's Ofsted rating, and applauds Chelmaren for the speed with which it tackled the issue. The group has every confidence in the ability of the home to regain its outstanding judgment.

The group also believes that this demonstrates the high standards that Ofsted expects of children's homes, and illustrates the precarious nature of the residential care market. As Shropshire Council is not subject to the same financial pressures as a private care provider, it is better placed to manage disruption such as this, without the threat of losing all of its income as a result of an adverse Ofsted rating.

Proposals for Shropshire Council residential care

The council's head of safeguarding presented some proposals for the future development of the service, which they believed would provide considerably better support and stability for the council's most complex looked after children.

The group had already heard that the council already runs two residential provisions very successfully. This is backed up by Ofsted, which has consistently rated both homes as good or outstanding. Both homes are staffed by well-trained, highly-experienced teams that have members that could move to manage their own homes.

Specialist internal care

The service proposes to set up two new residential homes; one for two girls, the other for two boys. These would accommodate the council's most complex looked after children, with 2:1 staff support. The service estimates the ongoing cost of these placements to be £5,900 per week. In addition to this, the council would need to either buy two suitable properties and adapt them, or build two bespoke properties. This would mean an outlay of approximately £800,000 on property and annual running costs of £1.23 million.

These costs appear forbidding, especially when compared to weekly running costs at Chelmaren of £2,500 per child. However this needs to be compared to what the council currently pays for residential care for its most complex looked after children, and the care that those children receive. As stated earlier, the council currently pays at least £6,000 per week per child for residential care of five of its looked-after children. Housing the four children with the most expensive residential placements would cost £23,600 a week, compared to current provider costs of £26,600. This would equate to an approximate saving of £150,000 a year in residential care costs. Even if the service

delivered a quarter of these savings, they would provide approximately a 5% return on the capital expenditure of the homes and provide an asset the council could sell later should its residential needs change.

The group heard that there were other factors to bear in mind when comparing costs for in-house care and purchasing private provision:

- Private residential care costs were rising and would continue to rise, particularly for children with complex needs.
- The service had presumed that each child in their care would require 2:1 staff support. This may not necessarily be the case, particularly if the stability provided by the placement resulted in the child becoming more settled. A lower staff support ratio would reduce costs dramatically.
- A local provision would save staff time, as they would no longer need to travel long distances to visit children in their placements. Nor would they need to accompany children to remote placements. As an example, the service told the group that it had recently had to transport a child to a placement in Glasgow. This required five professionals to accompany the child.

The group strongly supports these proposals. They would provide an effective hedge against rising costs in the residential care market. They would also provide well-paid jobs for local people, with higher wages and better training opportunities than the private sector provides. Although the services believes it can save money on revenue costs by developing in-house provision, the group view any cost saving as a bonus, rather than a necessity.

And most crucially, the group believes strongly that these proposals will provide the security and stability to give the council's looked-after children every opportunity to thrive.

Step-down care

The service also proposes a further two or three bedroom residential care home. This would be for the looked-after children who require more intensive support, but who have a high likelihood of being able to return home or to foster care. The service estimates the ongoing cost of these placements to be £4,000 per child per week. In addition to this, the council would need to acquire a suitable property, at an approximate cost of £400,000.

The cost is higher than the council's residential care at Chelmaren due to the greater intensity of support required to return these children home or to foster care. However the group noted that service is paying over £4,000 per child per week for at least ten current private residential placements, without the ability to carry out intensive work with the entire family.

The group heard that the service always has a number of looked-after children in its care that meet this criteria. In 2017 four children went home or into a foster placement, and the service expects at least six more to do the same. Children are more likely to return home or into foster care within the first six months of their entry into care, or if they remain close to home. However if a child is in a placement far from home, it makes whole-family working considerably more difficult.

The group supports these proposals. Like the proposals for two specialist homes, they would provide an effective hedge against rising costs in the residential care market. They would also provide well-paid jobs for local people, with higher wages and better training opportunities than the private sector provides. It is not as clear at this stage that these proposals would save money on revenue costs, but any additional revenue cost is expected to be minimal.

The group again believes strongly that these proposals will provide the security and stability to give the council's looked-after children every opportunity to thrive.

The group is also concerned at the capacity to set up three homes consecutively, in particular the potential impact on the children who live at Chelmaren, who could lose trusted staff members.

Conversion of Chelmaren

The group heard that the service had a number of looked after children whose needs were not especially complex, but for whom residential care was the best option. For example their own family may provide an unsafe home environment, but the child may remain attached to them, and be unable to settle in a foster placement. This means that they will remain in residential care until they leave care. The service would therefore convert Chelmaren's statement of purpose to a children's home for long-term children whose care plan is residential care. There would be no cost to this, but would allow this cohort of children to retain their existing family and social networks, as well as keeping them in their current school.

The group strongly supports these proposals, once the council has opened its step down home.

The service also proposes to convert the existing office space at Chelmaren into two semi-independent training flats to help children leaving care to prepare for independence. The group heard that children who had lived in residential care often required more support to develop their independent living skills. This would provide the opportunity to provide a more supportive environment to older children who had lived in residential care to strengthen their independent living skills.

The group recognises the importance of preparing care leavers for independent living, and notes that this is a priority of the service following a recommendation from the recent Ofsted inspection of the council's services for children.

Pop-up respite provision

The group had heard repeatedly that at times the service faced a crisis in the care of a looked-after child. The service had faced three such crises in the first half of 2018, one of which required the temporary cancellation of short break provision at Havenbrook.

Ofsted permits an unregulated care provision for a looked-after child for a period of up to 28 days. As a result many private providers are setting up homes providing such temporary accommodation.

The service therefore proposes to purchase or build a lodge in a rural location to provide such a crisis service for the council's looked-after children. When not being used by the council as crisis accommodation, the council could either hire the accommodation to other local authorities or use it as additional short break provision for its own looked after children.

The group supports this proposal. Using Havenbrook as crisis care jeopardises the stability of families who rely on it for respite care.

Conclusions and recommendations

The group was concerned to hear that the current private residential market does not appear able to properly meet the needs of Shropshire Council's most complex and vulnerable looked after children. As the children's corporate parents, the group is saddened to hear that the council sometimes has no choice but to place children far away from Shropshire, or in untested residential placements, or in placements with providers that are forced to decide between working long-term with the most complex children and maintaining a good Ofsted rating.

It is therefore encouraging to see the council propose a solution that it believes could deliver better care for its looked after children. These proposals could provide the opportunity to provide stable care for its most complex children who will remain in residential care until they leave the council's care. They also maximise the opportunity for the council to work closely with children and their families where there is a chance for them to return home.

The group has not received detailed costs for these proposals, but the outline costs it has seen suggest that the proposals are unlikely to increase the cost of care and could reduce costs in the long term. However the group would not like to see saving costs as being an objective of these proposals.

The group therefore recommends that Shropshire Council:

- develops detailed and fully-costed plans for:
 - two new two-bedroom specialist care residential homes;
 - a three-bedroom step-down care residential home
 - a lodge providing space for crisis care and respite care;
 - converting Chelmaren's statement of purpose to a children's home for long-term children; and
 - converting office space at Chelmaren to provide semi-independent accommodation for the council's looked after children who will soon be leaving care;
- delays building any step-down residential home, until the two specialist care residential homes are established and working successfully; and
- presents these proposals to scrutiny by September 2018.