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## **Children and Families Committee**

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<b>Date of Meeting:</b>	20 March 2023
<b>Report Title:</b>	Children's Residential Provision
<b>Report of:</b>	Deborah Woodcock, Executive Director of Children's Services
<b>Report Reference No:</b>	CF/24/22-23
<b>Ward(s) Affected:</b>	All

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### **1. Purpose of Report**

- 1.1.** The purpose of this report is to outline the council's current pressures relating to placements for our cared for children and seek approval on recommendations relating to the development of our own council-run provision in order to improve young people's outcomes, alongside increasing placement options, our capacity to meet current and future demand, and provide better value for money.
- 1.2.** This work falls under the 'fair' priority of Council's Corporate Plan 2021-25 and specifically our priority to 'be the best corporate parents to the children in our care'.

### **2. Executive Summary**

- 2.1.** Children's social care nationally and within Cheshire East is facing unprecedented challenges around placement sufficiency and costs for cared for children.
- 2.2.** We are ambitious for our children and this report sets out proposals to develop our own internal council-run residential provision in order to improve young people's outcomes, alongside increasing placement options and value for money. Primarily, this paper focuses on the proposed development of up to 3 council-run children's residential homes.

### **3. Recommendations**

- 3.1.** Children and Families Committee are asked to:
- 3.1.1.** Approve the planned transition of 2 (independent and Ofsted registered) children's homes currently commissioned in Crewe and Macclesfield to become Cheshire East Council-run provision during 2023, following a recent decision of mutual termination with the commissioned organisation.
  - 3.1.2.** Approve the development of one further 3 bed (2 medium term beds + 1 emergency bed) council-run children's home in the first instance, for development and go-live by the end of February 2024.
  - 3.1.3.** Note the intention to develop at least one further council-run children's home (in line with the No Wrong Door framework if possible-see background documents), by the end of the 2025 calendar year, pending successful implementation of 3.1.1 and 3.1.2 and positive proof of concept.

### **4. Reasons for Recommendations**

- 4.1.** As corporate parents, support for our cared for children is a key priority for the council and its partners. At the end of Q3 2022-23 (December 2022), Cheshire East Council were responsible for 557 cared for children, with 36 (7%) of these children and young people living in residential care (against a national average of 10%). Our overall cared for population is currently statistically higher than our stat neighbour and England average however our population of children in residential care is slightly below.
- 4.2.** This demonstrates our commitment to utilise foster care at every opportunity however there is more to do in relation to providing homes for our cared for children locally within their communities. Whilst we are embarking on this journey from a strong position with this cohort following work to improve numbers in residential provision, we have greater ambitions for our local children and therefore want to build upon the previous improvement work that we have completed to reach this position.
- 4.3.** Cheshire East awarded two contracts with two independent residential children's home providers in 2018. Unfortunately, in 2022 we reached mutual termination with one of those providers due to poor outcomes for children and failure to deliver on the commission. We have continued to work with the remaining provider, continually reviewing the benefits of the block contract arrangements, the outcomes achieved for children and young people and the cost effectiveness with the ambition of maintaining the two children's homes we currently commission. However, this arrangement is no longer deemed viable in the current context due to under occupancy and the local authority's inability to influence this from a regulatory perspective.

- 4.4.** We are facing various issues with the current care market of external providers being unable to provide what we need for our local young people, in terms of availability, quality, value and effective holistic support through resourceful and well-organised partnership working. This is preventing us from effectively supporting some of our young people to remain within their families and communities, and to achieve their desired outcomes.
- 4.5.** When the authority has had to utilise the external agency market (via the regional purchasing systems or spot purchase), we regularly find that there is little correlation between the effectiveness of a service in terms of outcomes for young people, its Ofsted rating and the weekly fees. In short these are frequently categorised as high cost, low outcome placements.
- 4.6.** There is also increased pressure on the availability of external residential care. When places are available, matching is often a barrier, and private companies are able to pick and choose the most appropriate fit for them - in terms of likely risk to reputation and/or Ofsted rating and are able to charge significantly more than is reasonable and proportionate - rather than what is in the best interests of children and young people. As stated in a recent paper produced on behalf of the Eastern region of the ADCS (Association of Directors of Children's Services): *"Given the levels of demand nationally, there is little incentive for providers to offer placements for young people who are likely to be more challenging than others for whom placements are also being sought."*
- 4.7.** Despite the reduction in our residential cared for population and some success with the recruitment of new foster carers, our reliance on the independent care market to substitute our sufficiency shortfalls have resulted in additional expenditure. Costs for placements in the external market are rising year on year, and inflation pressures are further adding to this. The very difficult sufficiency landscape means residential care for some of our most complex and vulnerable children has had to be provided in temporary crisis placements which incur a significant cost. Our budget for cared for children external agency placements is therefore under significant pressure and year on year growth has been required.
- 4.8.** The outlined issues with the current care market and sufficiency of placements are being seen nationally, as detailed in a wide range of recent national research and analysis, including [Ofsted research](#) published as recently as 18 November 2022 and the Competition and Markets Authority report in 2021. Taking control of our own residential offer and minimising the need to navigate a difficult private sector market is the priority for Cheshire East going forward. To improve this situation, we want to develop and deliver our own provision, which can be more responsive to local need and is run in line with a strong multi-disciplinary framework, strong partnership arrangements and ambitious evidence based principles, instead of depending solely on external options.

- 4.9.** There are a number of linked priority areas that we are aiming to improve through the introduction of council-run children's residential provision, which include:
- 4.9.1. reducing the number of cared for children living more than 20 miles from their home address and/or outside of the borough**, so they can be closer to their families and local communities. At the end of Q2 (September 2022), 207 (38%) cared for children were living out of borough and 121 (22%) cared for children were placed over 20 miles from their home address. We previously set a target of 20% for this in our latest sufficiency statement. By developing our own provision, we can improve the availability and quality of local provision options within the borough and can therefore support more young people to stay closer to their families and local communities.
  - 4.9.2. reducing the likelihood of use of unregulated provision**, by providing more suitable options through the development of our provision. The Care Planning, Placement and Case Review [England] 9<sup>th</sup> [Amendment] Regulations 2021 [the '2021 Regulations'], which came into force in September 2021, made it unlawful to place any child under the age of 16 in unregulated provisions. There are therefore reputational risks associated with the use of such placements. However, an October 2022 paper produced on behalf of the Eastern region of the ADCS outlines how implementation of these regulations resulted in increased pressure to move young people to registered provision, exacerbating existing placement shortages in the residential market nationally, which in turn has resulted in growing numbers of the most vulnerable children and young people being left without appropriate registered provision. Many local authorities are therefore left with no option but to use unregulated placements which continue to rise in price and carry reputational risk, due to no available registered alternatives.
  - 4.9.3. improving the mix of placement types** being used by young people in care at any one time, so that our young people are in the best placement for them and the local authority.
  - 4.9.4. reducing the time and resources needed to find placements**, thereby increasing the time social workers have for other casework with children and families.
  - 4.9.5. further reducing the number of cared for children in residential care** (where appropriate), **reducing the length of time young people spend in residential placements**, and **supporting those already in care to find permanence in a family-based setting**. We want to further embed a local culture that accepts that care is a short-term form of support, and where residential care is not viewed as a long term or permanent home.

- 4.9.6. **improving outcomes for our children and young people**, ensuring they are local to existing family and friends networks, schools and community provision, enabling continuity of love and care.
- 4.9.7. **reducing the overall spend against our children’s social care placement budget**. Our main focus is ensuring that our local young people are living in the most suitable place for their needs at any given time and supporting as many of them as possible to have a permanent home. However, we also forecast that moving young people into internal provision rather than high-cost placements with external providers will produce long-term financial benefits.
- 4.10. Recent research has found links between the numbers of cared for children placed in externally run children’s homes and local authority Ofsted ratings. In a recently published study, Oxford University academics found that councils with a greater proportion of cared for children placed in profit-making children’s homes tend to receive worse Ofsted ratings. More specifically, the researchers shared that, for every additional percentage point of for-profit children’s home provision, a council had 4.7% lower odds of being rated outstanding, good or requires improvement, as opposed to inadequate, from 2016-21, said researchers. The study also found that council-run homes tended to receive better overall ratings than for-profit ones, from 2014-21, and that for-profit homes also tended to be rated worse than council-run homes in relation to leadership and how well children were helped and protected.
- 4.11. Increasing local provision will enable more of our cared for children to be placed within Cheshire East. This will reduce the amount of travel that is required by children attending educational settings and by council staff conducting regular statutory visits to children within their placements, which will therefore reduce the council’s overall carbon footprint and contribute positively to the Carbon Neutral Action Plan.

## 5. Other Options Considered

- 5.1. Do nothing and continue to maintain the two children’s homes we currently commission and rely on the external agency market for our sufficiency gap. However, this option is not deemed efficient in terms of placement sourcing, value for money or improving outcomes for our children as evidenced since 2018.

## 6. Background

- 6.1. The Council has a legal duty to safeguard vulnerable children in Cheshire East where it is assessed and endorsed legally that they cannot remain within their immediate family. It is not an option to leave children in vulnerable situations. It is also our legal duty to be in a position to provide high quality care to them as their corporate parents. We aim to have as many children as possible in a family setting, including the use of fostering etc. When children do come into care and fostering doesn’t match the

needs of the child and/or matching isn't achievable, then residential care is sourced.

**6.2.** With respect to providing residential care, we have continually reviewed and considered the option of maintaining the two children's homes we currently commission and relying on the external agency market for the additional residential care required. This option is not deemed efficient in terms of placement sourcing, value for money or improving outcomes for our children.

**6.3. Financial context**

6.3.1. Our total annual spend for Children's Social Care for the financial year 2021/22 was £48.7m with a significant overspend of £5.5m. This included a spend of approximately £10.5m on placements for children in residential care.

6.3.2. Children's social care costs:

	Net Budget	Outturn/Forecast	Variance
2019/20	£37.0m	£40.7m	+£3.7m
2020/21	£40.0m	£43.7m	+£3.7m
2021/22	£43.2m	£48.7m	+£5.5m
2022/23 (Forecast)	£47.0m	£49.5m	+£2.5m *

(\*) This forecast is being achieved by temporary mitigations, the gross pressure is much higher. Given the pressure continues and some of the mitigations may not prove deliverable and outturn is expected to be higher. Growth of £1.9m has been included in the MTFS for 2023/24. The service faces a significant challenge to deliver in budget in 2023/24 and a number of projects need to be taken forward to achieve a balance.

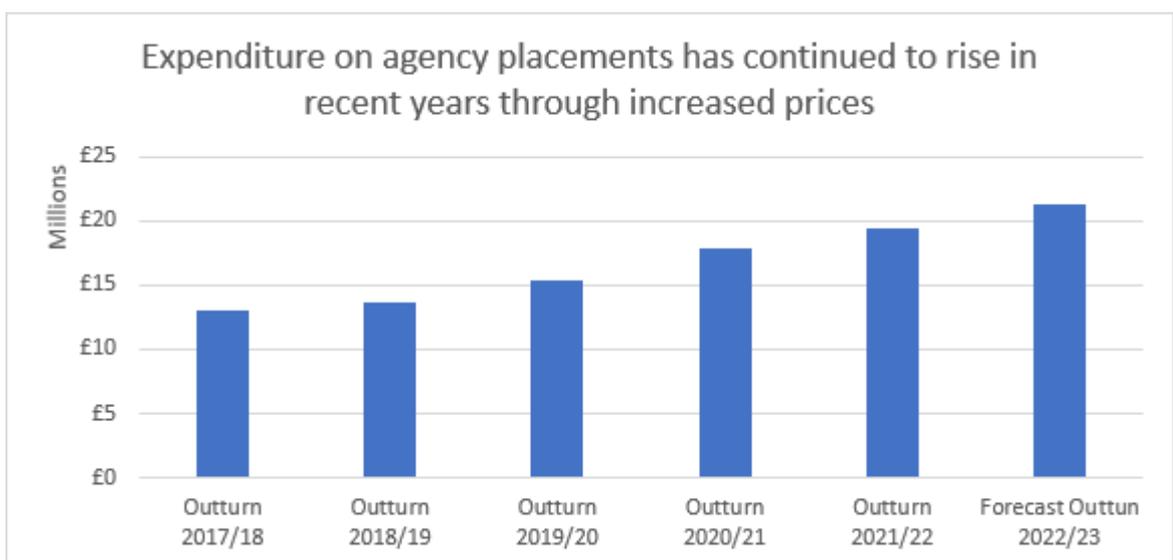
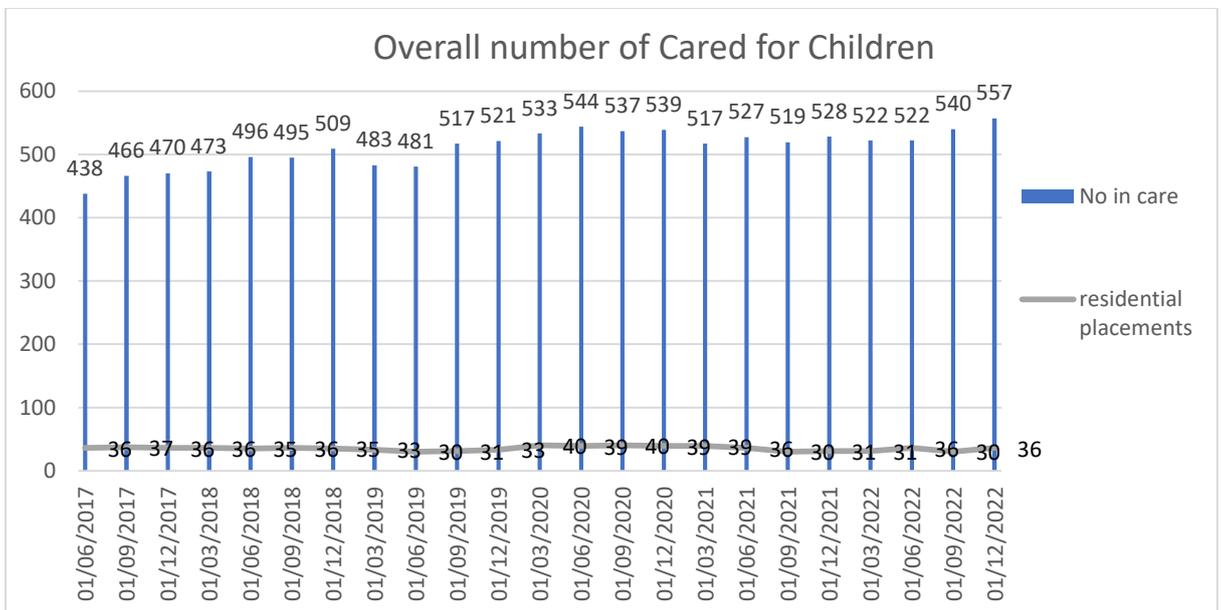
6.3.3. The Children's Social Care Service has increased funding levels through the Council's Medium Term Financial Planning process for a number of years, but this has not been able to keep pace with rising numbers of children in care and the significant price increases being experienced.

6.3.4. The overall financial scenario means that further increases are not acceptable as they would have a significant impact on the Council's overall financial position. The service is therefore looking to more effectively manage the 2022/23 budget of £47.0m, and future budgets, and must ensure that the budget is deployed in a way that will provide a sustainable medium-term position and deliver value for money. Developing council-run provision is one potential route that could provide the local authority with the ability to achieve this aim and more such initiatives are needed.

6.3.5. One of our biggest current financial pressures is against our placements budget, particularly for external placements. Whilst we have positively maintained a low number of children in residential placements over the

last few years (compared with national averages), the quality of outcomes is not always evident and the cost of residential placements is increasing, giving an overall significant increase in spend.

6.3.6. The two graphs below show that the year-on-year increase in expenditure for placements over time does not match the trends in overall numbers of cared for children and those in residential placements (excluding residential special schools) over time, and cannot therefore be accounted for by increased numbers of children alone. Indeed, whilst there has been some increase in overall cared for children numbers since 2017, this does not match the level of increase in expenditure on placements since 2017, and the numbers in residential placements have been maintained or actually decreased at some points. Financial data shows that overall costs have risen by 10% per annum in recent years irrespective of the number of cared for children.



6.3.7. Therefore, the graphs show that, in addition to reducing the numbers of cared for children and those in residential placements, along with the length of time spent in high-cost placements, we also need to **act differently in how we meet needs in order to be more cost effective**. By introducing our own provision, we aim to have more control on the ever-increasing cost of care and on positive outcomes for our children and young people, in particular for those children that are placed in residential accommodation.

6.3.8. The below table shows our average weekly cost for residential provision (which makes up over 50% of the total expenditure) for the last few years:

Outturn or <b>forecast</b>	Financial Year	Average Cost Per Client Per Week (£)	% change in weekly costs
Outturn	2019-20	£3,140	
Outturn	2020-21	£3,820	21.7%
Outturn	2021-22	£4,559	19.4%
<b>Forecast</b>	<b>2022-23</b>	<b>£4,791</b>	<b>5.1%</b>

6.3.9. As can be seen, our average weekly cost of residential care continues to rise. This trend is also seen across the wider north-west region and nationally. However, in 2021 in particular, the complexity and vulnerability of a small cohort of children laid bare the problematic sufficiency position across the country and the precarious external market position. We had to utilise solo, 2:1 staffing ratios and crisis placements to accommodate four cared for children at a weekly fee ranging from £6,750 to £12,705. Our current maximum residential placement cost is still in excess of £12,000 per week.

6.3.10. An October 2022 paper produced on behalf of the Eastern region of the ADCS explores how costs for residential placements are increasing rapidly, with further recent exacerbation on already rising costs from implementation of the 2021 regulations reducing placement options, plus the impact of the covid-19 pandemic upon emotional wellbeing needs of children and young people. This document outlines the rises seen by local authorities by sharing how *“managers responsible for identifying placements for children in care in the region have all discussed how considering a residential placement at a cost of £5,000-£7,000 per week as recently as 2021 would have been seen as exceptional and associated with very specialist care around issues such as sexually harmful behaviour. Now, this price is seen as very much the norm for a placement that offers no additional therapeutic intervention or other specialist services.”* This document also describes a number of local authorities with individual placement costs for unregulated and unregistered provision of over £30,000 and as much as £50,000 per week where there has been a need for high staffing ratios, with

managers observing that such placements often simply provide containment as opposed to effective support that will make a positive difference to young people's outcomes.

6.3.11. This position is not sustainable, does not meet the needs of our children and young people, and operates outside the frameworks provided by our regulator Ofsted.

**6.4.** This section of the report aims to provide further detail on the matters for approval.

6.4.1. **Approve the planned transition of 2 currently commissioned (independent and Ofsted registered) children's homes in Crewe and Macclesfield to become Cheshire East Council-run provision during 2023, following a recent decision of mutual termination with the commissioned organisation.**

6.4.2. Cheshire East will work with the current commissioned service to ensure that the stability of any of our children in placement receive strong, continued care.

6.4.3. Of the two currently commissioned homes, we plan to immediately transition one home (pending committee approval through this paper) to become a council-run children's home. This home currently has a Good Ofsted rating and has 2 children that are settled well in their placements.

6.4.4. We wish to use the other currently commissioned home for council-run provision (pending committee approval through this paper) but are considering whether to continue with this as a residential children's home (based on our current location requirements and Ofsted feedback) or whether this could alternatively be used as shared, semi-independent accommodation for Care Leavers as their next step in support. An Options Appraisal will be prepared to inform this decision.

6.4.5. During the transition we will explore requirements for any TUPE liability of existing staff, whilst scoping the new Statement of Purpose of these homes. Once we have agreed handover timescales, we will begin the process of recruiting Cheshire East children's home staff and/or Registered Manager(s) where required. From there we will submit our application to Ofsted and ensure our homes are ready for pending inspection.

6.4.6. The Responsible Individual for any CEC-run children's homes will be our Head of Provider Services, who will ensure we are compliant throughout the transition and application processes.

6.4.7. **Approve the development of one further 3 bed (2 medium term beds + 1 emergency bed) council-run children's home in the first instance, for development and go-live by the end of February 2024.**

- 6.4.8. A further 3-bed children's home would add additional capacity for residential placements on top of the two children's homes that we currently commission (and plan to bring in-house) and would aim to further reduce our reliance on the external agency market and spot purchasing for additional placements to improve placement quality and control spend against the placement budget.
- 6.4.9. The Children's Social Care service has already identified one potential property to use for the 3-bed council-run children's home. This property is already owned by the council, meaning no purchasing activity will be required. It already has planning permission for use as a children's home and has previously been used for this purpose. It also underwent recent refurbishment in Summer 2022, which will reduce any required refurbishment work needed before the home could open. Alternatively, we may use the capital funding agreed within the MTFS for purchasing or refurbishment of children's homes to identify and purchase a new property in a more rural location. This decision will be based on our assessment of need, current home locations and exploitation risks etc. at the time of developing the home.
- 6.4.10. We will be required to gain Ofsted registration for the new children's home. The registration process will involve some consultation work, as described in section 7 of this document. We are aiming to gain successful Ofsted registration for the home in 2023 or early 2024 at the latest, with a view to opening the 3-bed children's home by the end of February 2024.
- 6.4.11. A high-level business case has been prepared to request funding for the initial implementation costs of developing the new 3-bed council-run children's home prior to go live. This is due for imminent discussion and decision by the council's Director of Finance and Customer Service – Section 151 Officer. The total investment required for the initial implementation and the annual running costs have been included in **Appendix 1**. The business case is regarded as robust and dependent on high occupancy levels throughout the year to provide an alternative to existing higher cost options. The service is aware of the need to set up and start the new facility as soon as possible to help the financial position but it may be beyond one financial year before savings are made.
- 6.4.12. The key aim of the new model is to generate improved outcomes at better value than the current care options that are available, with an acknowledgement that the Council has to generate value for money for the £47.0m budget for Children's Social Care. The cost of agency placements has risen significantly over the last few years and a continuation of that is not sustainable.
- 6.4.13. The costs included in Appendix 1 estimate that the proposed 3-bed council-run children's home would cost the council £646,725 annually.

Due to demand, it would be reasonable to assume that the home would support 3 children at a 90% occupancy rate, therefore:

- annual costs per bed = £646,725 / 3 = £215,575
- weekly costs per child = £215,575 / 46.9287 weeks = £4,594

6.4.14. This is roughly equivalent to the current average weekly residential placement cost that is forecast for 2022-23 (shown above as £4,791). However, it is important to note:

- we cannot compare like-for-like as our estimated costs for the internal home include staffing costs that have been forecast forward for inflation at planned time of recruitment and home opening (proposed for February 2024 at the latest) and are therefore not comparable to current average costs which will also be subject to increased costs due to inflation in future years.
- Our data shows that the average weekly costs for residential placements have increased year on year, and there are no indications locally or nationally that this will cease or improve, due to a variety of factors. It is therefore likely that the average cost for external placements in 2023-24 and beyond will be higher than the current average given for 2022-23, and will only continue to increase, which we have very limited control over. Having our own setting would allow the council full control over the use of the asset and the opportunity to limit cost increases in future years.
- Our proposed initial homes are smaller compared to other residential settings. This reduces matching issues and allows for more individualised and focused support for young people. This would make our proposed home suitable for our young people with more complex needs which tend to be both harder to source and higher costing placements. Our current maximum residential placement cost is in excess of £12,000 per week, and we know from external reports (such as the ADCS Eastern Region October 2022 report) that such placements can cost over £30,000 and as much as £50,000 per week, depending on the setting and staffing required.
- Due to current demand levels, we are confident that the third emergency bed of the property would always be filled. However, if this was not the case at any point, we would also offer the placement to neighbouring authorities to ensure it was being used and to generate additional income for the council.

6.4.15. The Council has already agreed Capital funding to deliver services at better value (see 8.2 Finance section below for further details) and this proposal takes that a stage further in terms of delivering an in-house facility for children and families in Cheshire East. This gives the Council full control over the use of the asset, occupancy levels and the links to

other forms of care available to the current cohort. Having this additional facility will allow the Council to select the best option to meet need.

- 6.4.16. Our key sustainability aims are to meet need and achieve the best outcomes for children and young people in the most cost-effective way. Greater options allow the most expensive types of care to be reserved for those who really need it – and allows the funding to be available to pay for that. The ongoing revenue costs for the home would be met by rerouting funding within existing children’s social care budgets away from increasingly expensive external placements that generate poor outcomes for our children and young people and using this to fund our own provision (see 8.2 Finance section below for further details).
- 6.4.17. In addition to gaining more financial control over placement spend going forward, we should also see a return for our young people directly. By developing and running our own internal provision in line with a strong multi-disciplinary framework, we expect to improve the quality of placement and support that our young people experience, so our young people feel happier, better supported to make positive decisions and more confident in their living arrangements, thereby resulting in more positive outcomes.
- 6.4.18. **Appendix 2** includes details of the proposed governance arrangements for the development of the 3-bed children’s home, along with information on how progress will be monitored, how we will utilise existing council resources, and key milestones and activities.
- 6.4.19. **Note the intention to develop at least one further council-run children’s home (in line with the No Wrong Door framework if possible), by the end of the 2025 calendar year, pending successful implementation of 3.1.1 and 3.1.2 and positive proof of concept**
- 6.4.20. This report is focusing primarily on approval for the development of up to 3 council-run children’s homes (outlined above). However, this is intended as our first step as part of more ambitious plans to improve residential placement sufficiency and quality for our cared for children.
- 6.4.21. Subject to the successful development of our 3 council-run homes, we would intend to return to committee and seek permission to develop additional home(s) to further increase our residential capacity.
- 6.4.22. We hope to develop the additional home(s) in line with the No Wrong Door framework that has been successfully implemented elsewhere in the country. The No Wrong Door model replaces traditional young peoples' homes with innovative residential hubs, with each hub having a dedicated, multidisciplinary team of professionals operating under a shared framework. In the model, the hub is combined with specialist fostering, high needs supported lodgings, supported accommodation and bespoke placements to give multiple placement options, along with an outreach offer to support young people living with their families.

- 6.4.23. We will continue to work with and learn from colleagues from other local authorities that have successfully implemented their own provision using a No Wrong Door model, such as Salford City Council.
- 6.4.24. We will return to a future committee with more detail on proposals for future developments as required for approval purposes.

## **7. Consultation and Engagement**

- 7.1. We will be required to gain Ofsted registration for any new children's home and the registration process will involve some consultation work.
- 7.2. As part of the Ofsted registration process, a location assessment is required to ensure that the location of the proposed children's home is suitable. Non-statutory guidance for the location assessment details consultation with appropriate local services (such as the police, probation services, appropriate voluntary services, health and education services) as part of this assessment. We will also consult with local residents close to chosen properties, our cared for young people that have experienced local services and local staff to inform our planning and the Ofsted registration process.
- 7.3. We will prioritise communication with local communities close to any proposed provision in order to minimise, as far as possible, any concerns that may arise relating to the developments. The property that we are potentially proposing for use for the new 3 bed provision (Claremont House) already has planning permission for use as a children's home and has previously been used for this purpose in the past, so local residents are already familiar with this. We are aiming to gain successful Ofsted registration for the new 3-bed home in 2023 or early 2024 at the latest, with a view to opening this 3-bed children's home by the end of February 2024.

## **8. Implications**

### **8.1. Legal**

- 8.1.1. The report identifies the Council's legal obligations in respect of cared for children and care leavers.
- 8.1.2. It is noted that a decision has been made for mutual termination of the current providers contracts. Legal advice should be sought to ensure any termination provides for no ongoing liability or recourse.
- 8.1.3. Further legal advice and support will be required throughout the projects identified particularly in relation to contracts and the procurement of the various contractors involved, as well as in relation to the various land and property issues that may arise. These will potentially include consideration being given as to ownership, how that will be transferred and the form it will take, the state of the properties being transferred, dilapidations and associated costs, and any planning permissions.
- 8.1.4. Any consultation on the proposals should comply with the Gunning principles (that consultation must be at a time when proposals are still at

a formative stage; that the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response; that adequate time is given for consideration and response; and that the product of consultation is conscientiously taken into account when finalising the decision) to ensure the decision making is fair and that the risk of challenge is reduced.

## 8.2. Finance

- 8.2.1. **One-off costs for project delivery:** Children's Social Care is bidding for funding through a High Level Business Case to support the implementation of the innovation and specifically, £194,744 towards implementation costs of the new 3-bed council-run children's home (cost breakdown is outlined in **Appendix 1**). There were alternative transformation funding sources, but these have been included as savings within the draft MTFS 2023-27. Other options will be considered.
- 8.2.2. **Capital:** The Council's Medium Term Financial Strategy (MTFS) for 2023/2027 was approved at a full Council meeting on 22 February 2023. The MTFS document includes capital funding for a children's home sufficiency scheme for a total of £2m. This previous business case was accepted by the Capital Board for the express purpose of achieving a sustainable position through a different way of working. We would use part of this capital funding for any renovation/refurbishment and furnishing costs for the development of the 3-bed home. If the identified facility is used it is expected that these will be minimised due to recent renovation undertaken in the home in 2022. Remaining funding could be used towards the development of an additional home (if the decision was made to develop an additional home), or other residential children's provision (to further increase our internal capacity).
- 8.2.3. As this capital is funded as part of the overall Council's borrowing strategy and funded, there is no intention to charge borrowing costs of the £2m to this project.
- 8.2.4. **Ongoing Revenue Costs:** The annual running costs of the home (as detailed in **Appendix 1**) would be funded by existing revenue budgets in Children's Social Care through both internal and externally commissioned budgets being reconfigured and redeployed.
- 8.2.5. It is acknowledged that there will be a period where there are additional costs while the service transitions but that is considered acceptable to achieve the medium-term aim of sustainability. Pro-active management of the placements will minimise this risk.
- 8.2.6. The staffing costs for the new home will be met from the Council's existing Children's Social Care Directorate placement budget. The Children's Social Care Directorate's annual budget is £47.0m for 2022/23. The council's draft MTFS document for 2023/2027 includes growth for children's social care to recognise pressures on the placement

budget. The service will also need to contribute to directorate wide savings from delivering services in a different way.

- 8.2.7. As this is an existing budget, financing internal provision is therefore about rerouting money that we currently spend on traditional ways of meeting children and young people's needs, which are often poor value for money in terms of outcomes and are increasing in cost, in order to implement an alternative model for supporting children and families to avoid higher costs being incurred later.

### **8.3. Policy**

- 8.3.1. Our recently refreshed Cared for Children and Care Leavers Strategy (2022 – 2026) sets out how elected members, partner agencies, and individual council staff will work together to advocate and champion the needs of cared for children and care leavers in everything we do, having high aspirations for their future, keeping them safe, happy, and healthy and supporting them into adulthood. Through the implementation of this strategy, we intend to improve the experiences and outcomes for all our Cheshire East cared for children and care leavers.
- 8.3.2. Should agreement be given to implement the proposed provision, we will ensure that all related council and partnership policies are updated to reflect this improved offer.
- 8.3.3. Any policy implications that arise from the development of our internal provision will be dealt with through individual reports to Members or Officer Decision Records, as required.

### **8.4. Equality**

- 8.4.1. An equality impact assessment initial screening exercise was completed as part of the High Level Business Case relating to implementation funding for the development of the 3 bed children's home. The results of this initial screening indicated that no groups with protected characteristics under the Equality Act 2010 would be negatively affected by this work to increase children's residential provision.
- 8.4.2. If agreement is given to implement the proposed 3-bed internal provision, a full equality impact assessment will be completed prior to any further planning and will be maintained during the planning of the detailed implementation steps to ensure that no individuals or groups are disadvantaged or treated unfairly.

### **8.5. Human Resources**

- 8.5.1. Service managers are in conversation with the existing provider of the two currently commissioned homes regarding whether TUPE liabilities apply to existing staff in these homes. If TUPE processes are not required, we will recruit new Cheshire East Council employees in line

with the council's recruitment policies and procedures, which would lead to increased employment opportunities in the borough.

- 8.5.2. New Cheshire East Council employees would be recruited for employment in the new council-run children's home, thereby increasing employment opportunities in the Crewe area and elsewhere in Cheshire East (if a new property is purchased). The new staff would be recruited in line with the council's recruitment policies and procedures. There would be no requirement for consultation with existing council employees for the introduction of a new council-run children's home. We would however involve existing employees in the design and development of the children's home in order to learn from and utilise their local intelligence and knowledge of our cared for children.

## **8.6. Risk Management**

- 8.6.1. Our partnership approach to risk is to operate in a culture of creativity and innovation, in which risks are identified, understood and pro-actively managed, rather than avoided. We recognise that risks are inherent within innovation and are sometimes unavoidable. With all projects, we adopt a structured and coherent approach to identifying, assessing and managing risk to ensure an appropriate level of control in place, without stifling developments. We seek to adopt recognised best practice in the identification and evaluation of risks and opportunities, and to ensure that these are managed to acceptable levels in a proportionate and cost effective way.
- 8.6.2. Risk and issue registers will be maintained throughout the lifetime of the project to capture the details of any arising risks and issues, along with all agreed mitigations. All risks are scored using a "4 x 4" scoring methodology, measuring impact and likelihood of the unmitigated and mitigated risk. All risks are identified as either threats (a possible future event or action which could adversely affect our ability to achieve our objectives) or opportunities (an uncertain event or action that could enhance our ability to achieve our objectives) and a decision made on the type of response that is required (avoid, reduce, accept, transfer, exploit etc.). Risk owners and actioners will also be identified and recorded.
- 8.6.3. We will ensure that there is a clear escalation process to ensure risks are proactively considered and managed, e.g., risks that score highly will be reviewed by the Corporate Parenting Committee. Lower-level risks will be considered by the workstream.

## **8.7. Rural Communities**

- 8.7.1. There are no direct implications for rural communities. Careful consideration will be given to the location of the newly developed children's homes, in line with a number of factors.

## 8.8. Children and Young People/Cared for Children

- 8.8.1. The proposed development of our own internal provision aims to improve the experiences and outcomes of our cared for children.
- 8.8.2. By developing and running our own internal provision in line with a strong multi-disciplinary framework, we expect to improve the quality of placement and support that our young people experience, so our young people feel happier, better supported to make positive decisions and more confident in their living arrangements. The proposals also aim to have more young people living in, or close to, their local communities.

## 8.9. Public Health

- 8.9.1. Cared for children and care leavers are more at risk of poor health outcomes. Health services need to be targeted to ensure that they meet the needs of this group of children and young people. We would hope to work closely with health colleagues in the development of our internal provision, so that placements within our own local provision present increased opportunities to access relevant health services and therefore contribute to improving the health and wellbeing of this group of young people.

## 8.10. Climate Change

- 8.10.1. Increasing local provision will enable more of our cared for children to be placed within Cheshire East. This will reduce the amount of travel that is required by children attending educational settings and by council staff conducting required regular visits to children within their placements, which will therefore reduce the council's overall carbon footprint.
- 8.10.2. Consideration is also being given to the addition of solar panels to the proposed children's homes (which may also positively impact annual running costs for the homes, in addition to reducing their overall carbon impact). The feasibility and costs of this will be investigated in conjunction with colleagues in Facilities Management, and implementation is dependent upon suitability of the building structure and required installation costs.

<b>Access to Information</b>	
Contact Officer:	Kerry Birtles, Director of Children's Social Care <a href="mailto:Kerry.Birtles@cheshireeast.gov.uk">Kerry.Birtles@cheshireeast.gov.uk</a> 07760996641
Appendices:	<ul style="list-style-type: none"><li>Appendix 1. Investment for 3-bed council-run children's home</li><li>Appendix 2. Governance arrangements and high-level milestones</li></ul>
Background Papers:	<a href="http://www.gov.uk">'No Wrong Door' innovation programme: evaluation - GOV.UK (www.gov.uk)</a>

