

Children's Residential Provision

Options Paper

Document Controls

Version Control

Version	Version Date	Author	Reason for Change
0.1	14/12/2021	Steve Larking	First draft
0.2	30/12/2021	Steve Larking	Options appraisal feedback update
0.3	03/01/2022	Steve Larking	Data and Case for Change edits
0.4	05/01/2022	Steve Larking	Project Group feedback and edits
0.5	06/01/2022	Steve Larking	Steering Group feedback and edits
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Quality Reviews

Version	Review Date	Reviewed By	Role	Reviewers Comments
0.4	05/01/2022	Steve Larking	Commissioner	Project Group feedback & edits
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Approvals

Version	Name	Role	Date of Issue
V1.0	Children's Leadership Team		11/01/2022
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1. Description of the Project

Following a Needs Analysis (Appendix 1) *“Home from Home” Children’s Commissioning Residential Review* which identified the need for a new approach to meeting the Sufficiency requirements of Children and Young People in Care (CYPiC) with Complex Needs and Complex Needs with Health Needs requiring Residential Provision, this project is to assess the best option to achieve this.

2. Purpose of the Project

A review of Residential Care in Wolverhampton, “A Home from Home”, was produced and published in July 2021 by the Children’s Commissioning Team and sought to take an overview of how City of Wolverhampton Council meets its statutory duty to ensure that there are sufficient places available where Children and Young People in Care need residential placements. This Residential Provision Review Project was established to identify the best option to meet the review findings.

2.1 Background and problem / opportunity to be addressed

For the past 6 years, Wolverhampton has gradually reduced the number of children in care, although 2017-2018 saw a slight increase before coming down again in March 2019. Table 1 highlights the numbers of CYPiC at the end of each financial year and our current total as of September 2021.

Table 1 – Starts and Ends Per Year

Financial Year	Starts	Ends	Net	CAYPIC as at 31 March
2015-2016	134	258	-124	654
2016-2017	176	191	-15	639
2017-2018	187	174	13	652
2018-2019	135	160	-26	627
2019-2020	129	167	-38	589
2020-2021	97	143	-46	543
2021-2022 (To end of Sep 21)	61	71	-10	533

Table 2 below shows a snapshot of the placement types at end of each financial year. There has been a year-on-year reduction in the use of external foster placements, however this has increased slightly recently. Again, this is linked to Unaccompanied Asylum-Seeking Children (UASC) as external carers are often more experienced and a suitable cultural match to UASC than our internal carers. There has been a slight decrease in use of internal and connected carers which is not linked to the increase in external placements but linked to the reduction in children in care overall. Whilst placement with parents is 35, this will also impact on the reduction of children placed with internal and connected carers which combined is 279.

Table 2 - Placement Types at end of each Financial Year

Placement Type	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Sep 2021
Adoption	24	27	27	15	23	27
Connected Carer	73	110	89	111	97	93
Agency (external) FC	247	207	197	149	128	133
LA (internal) FC	188	205	191	210	202	186
Residential Care (EPP and residential)	32	42	42	39	29	36
Placed with Parents	38	20	39	24	35	35
Semi Independent / Independent Living	19	20	28	26	18	15
Residential School	6	0	4	1	1	8
Anything else	12	21	10	14	10	0
TOTAL	639	652	627	589	543	533

Residential care, which is the focus of this project, has also seen an increase within the year linked to a change of care plan for a small cohort of young people where residential has been agreed as a more suitable placement option. We have also undertaken some work to analyse our placement planning and continue to review use of residential care within our Residential Panel moving young people back to family setting where appropriate.

As an authority, Wolverhampton have achieved and consistently maintained the majority of CYPiC placed with internal foster carers than external providers in the last three years. With careful planning of young people moving into residential with Head of Service oversight, and where appropriate close monitoring for a step down into foster care via both the External Placements Panel (EPP) and residential panels, Wolverhampton have been successful in reducing the number of children and young people placed into residential care in line with a clear sufficiency strategy. However, there remains a small cohort of children where there have been repeated fostering placement breakdowns and where the external residential market has been unable to meet their needs.

The 2021-22 budget for Children's Services is £49.1 million of which the placement budget is £31.0 million including staffing and other associated costs. Of this placement budget in 2020-21 we had net expenditure of £5.9m with complex needs who required external private residential provision. This is 25% of the total budget allocated to placements.

EPP placements current active young people average cost per week is £2,655 net of contributions, £5,397 gross. The highest net cost per week is £5,684 net of contributions,

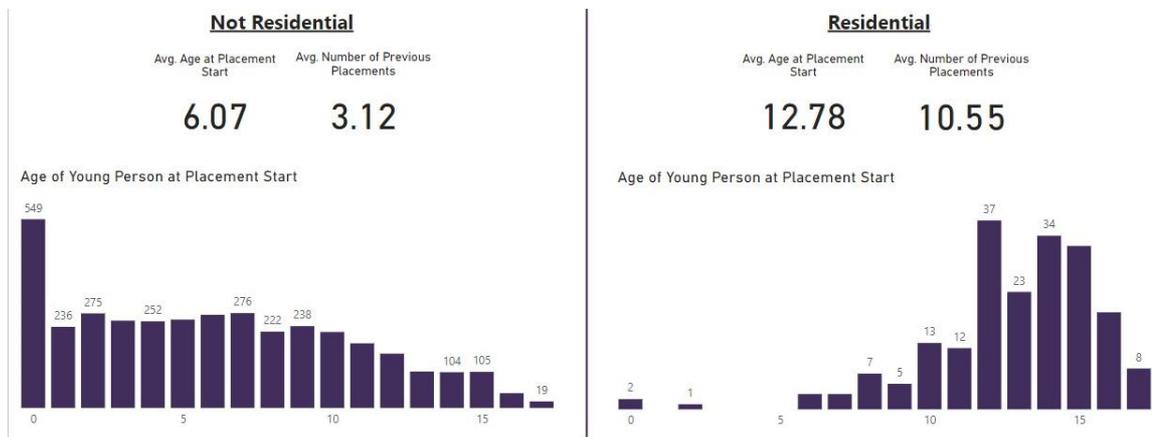
Residential placements average cost per week is £4,053 excluding the Royal Wolverhampton school. The highest cost per week is £5,650.

Wolverhampton has access to a mixed economy of provision in procuring residential placements including the Regional Flexible Contracting

Arrangement (FCA) through the West Midlands Placements Portal, other regional block contracts and spot purchase where necessary.

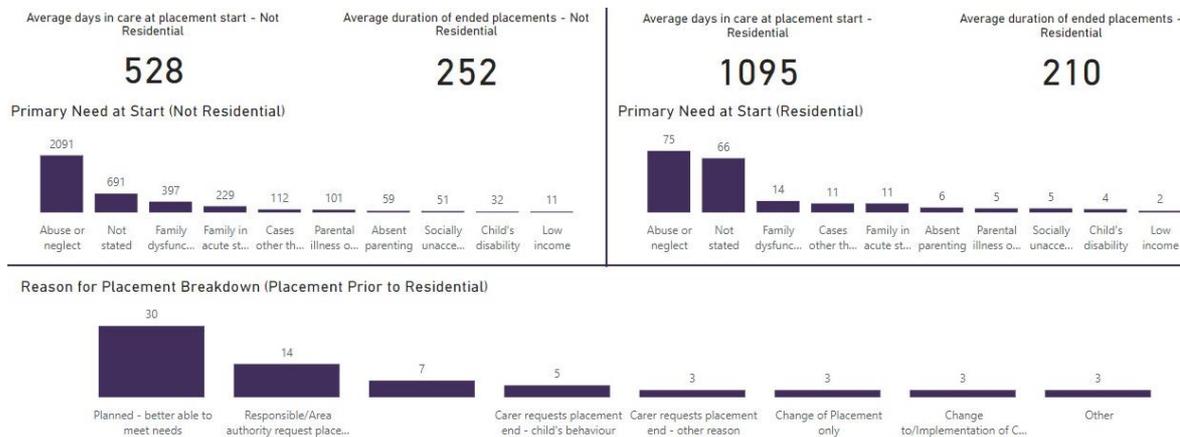
When looking at current open CYPiC the average age at the start of the placement is 7.8 for those not in a residential placement, compared to 13.9 for those in a residential. 62% of those not in residential are under the age of 10 at the start of the placement, when looking at those in residential this reduces to 12%. This indicates that CYPiC are much more likely to be placed in residential at an older age with those not in residential more evenly distributed across the age groups.

Therefore, having the option to place our most complex CYPiC within a residential placement at an earlier stage as part of an evidenced decision would be helpful for placement stability and reduction in placement breakdown for a small cohort of children and young people. However, our strategic approach would always be to maintain family placements where possible.

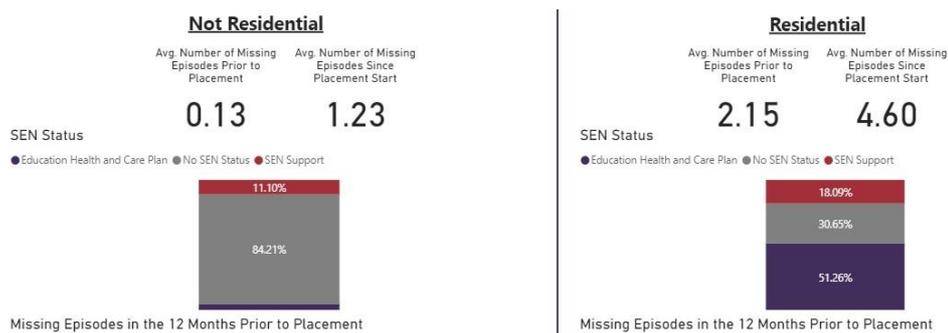


Whilst the dependency on placing children in care with external providers is expected to reduce, placement sufficiency for the following cohorts of children must be considered and responded to by this proposal: both Children in Care with Complex Needs and Children in Care with Complex Needs but not Health Needs. These are our highest cost placements, and those where reliance on Out of City private provision is predominant.

CYPiC are significantly more likely to have more placements prior to their current placement in residential (10.20) than those that are not placed in residential (3.97), although those being placed in residential care were in care for longer prior to them entering residential care with over 500 more days.



Those currently in residential care had an average of 3 missing episodes prior to starting in the placement compared to 0.37 for those not in residential, this difference continues when looking at the number of missing incidents after the placement start with those not in residential care having 0.13 compared to 1.20 for those in residential. It is therefore clear that missing episodes reduce when a justified residential placement has been made and managed supportively although not as positively as outcomes for foster placements or maintaining family placements.



The key to placement stability is identifying the right placement for each child or young person and the availability of an appropriate placement (including the option for residential). This involves having a thorough and holistic assessment to identify the young person's needs. This information is then used to match to the most appropriate placement for the child or young person. The difficulty, however, is a lack of available residential placements or placements with carers skilled and equipped to meet the needs of young people.

There is no clear evidence that one type of placement consistently achieves better outcomes than the other. For some children and young people, foster care is the most appropriate provision, and for other, a residential setting will best meet their needs. The challenge is determining which provision is best for each child and not being led by placement availability.

To have a solution to better meet the needs of our most complex Children and Young People in Care we would;

- Allow Social Workers with leadership support to make evidenced based justified decisions not reliant on availability but appropriateness to meet need.

- Be able to put in place the full range of support at an earlier opportunity rather than waiting for placements to break down. Allowing a reversal to step down from rather than up to residential provision.
- End our reliance on high cost out of city private provision which has proven to be detrimental to our CYPiC, lacking the local support networks they require.
- Be able to redeploy highly skilled staff serving this provision during periods of voids to other areas of the business. Something we are unable to do with private providers.
- Have flexibility with oversight of the service model in order to adapt to meet changes in Government Policy or Strategic Priorities.

2.1. Business / Service Area Priority

Aim		Rationale
Community and Place	<input checked="" type="checkbox"/>	The recommended option would provide a highly skilled in city workforce and employer.
Families	<input checked="" type="checkbox"/>	The recommended option would deliver better outcomes for our Children and Young People
Organisation	<input checked="" type="checkbox"/>	The recommended option would allow the council to better deliver its strategic priorities

3. Options Considered

3.1. Option 1 - Continue as we are spot purchasing placements

- **Outputs**
Placement can be made at short notice and assessed against need
- **Benefits**
Placement can be made at short notice and assessed against need
- **Outline Costs**
Out of city placements can lead to higher other costs, i.e. school transport, social worker travel & time
As of December 2021, the current financial projection is as follows:
A total of 22 young people in EPP placements, 32 in total within the year at a forecast projection net of £2.4m. Current active young people average cost per week is £2,655
Residential placements excluding contributions are 24, 7 of which are residing in the Royal Wolverhampton school, 38 in total at a forecast projection of £3.5m. Current active cost per week excluding the Royal Wolverhampton school is £4,053 per week.
A revenue budget for K2I exists of £858,940 in 2022-23
- **Timescale**
Immediate

- **Risk**

This can lead to poor quality, high cost and limited options. If we continue with this approach, we should consider what 'strategic' relationships we have with providers – which are good quality, reliable etc.

Increasing complexity of the young person support needs could potentially see an increase in cost / cost per week, therefore increasing overall spend if a bespoke package is required.

cost per week risk of increasing due to national demands outstripping supply.

Placement stability, emergency moves potential to increase the weekly cost

3.2. Option 2 - Block Contracting

- **Outputs**

Block contract in place with a provider to meet the residential placements of Children and Young People with complex needs.
- **Benefits**

No risk of capacity issues for under occupied beds

Potential to sell VOIDS to other Local Authorities (with the potential risk to our own sufficiency)
- **Outline Costs**

As at December 2021 the current financial projection is as follows:
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A revenue budget for K2I exists of £858,940 in 2022-23
- **Timescale**

6-month procurement process
- **Risk**

It is difficult to predict the kind of complexity we need to place and block contracts rarely provide the flexibility required to meet the range of needs. Robust contract management, particularly around QA and Ofsted compliance is essential for this option particularly for high-cost placements. The key challenges for block contracting are handling voids (although empty beds could be offered to other authorities) and negotiating with the contracted providers who refuse our referrals, particularly for complex needs.

3.3. Option 3 - Commission a Provider

- **Outputs**

Contracted provider to meet the residential placements of Children and Young People with complex needs.
- **Benefits**

This might be an option if we could identify a local partner who would develop a bespoke joint Wolverhampton approach. It might also be possible to identify an existing larger provider who had the investment capacity

Outline Costs

As at December 2021 the current financial projection is as follows:
A total of 22 young people in EPP placements, 32 in total within the year at a forecast projection net of £2.4m. Current active young people average cost per week is £2,655

Residential placements excluding contributions are 24, seven of which are residing in the Royal Wolverhampton school, 38 in total at a forecast projection of £3.5m. Current active cost per week excluding the Royal Wolverhampton school is £4,053 per week.

A revenue budget for K2I exists of £858,940 in 2022-23

- **Timescale**

6-month procurement process

- **Risk**

It is difficult to predict the kind of complexity we need to place contracts rarely provide the flexibility required to meet the range of needs. Robust contract management, particularly around QA and Ofsted compliance is essential for this option particularly for high-cost placements.

3.4. Option 4 - in-house City of Wolverhampton Council owned provision

- **Outputs**

A new in-city restorative practice children's home (x2 for 2 children), outside of the city centre, with a clear statement of purpose to meet the needs of our most complex Children and Young People in Care requiring residential provision.

- **Benefits**

Allow placement teams to make evidenced based justified decisions not reliant on availability but appropriateness to meet need.

Be able to put in place the full range of support at an earlier opportunity rather than waiting for placements to break down. Allowing a reversal to step down from rather than up to residential provision.

End our reliance on high cost out of city private provision which has proven to be detrimental to our CYPiC, lacking the local support networks they require.

Be able to redeploy highly skilled staff serving this provision during periods of voids to other areas of the business. Something we are unable to do with private providers.

Have flexibility with oversight of the service model in order to adapt to meet changes in Government Policy or Strategic Priorities

- **Outline Costs**

A Full Business Case is required to understand the full costs.

As of December 2021 the current financial projection is as follows:

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Residential placements excluding contributions are 24, 7 of which are residing in the Royal Wolverhampton school, 38 in total at a forecast projection of £3.5m. Current active cost per week excluding the Royal Wolverhampton school is £4,053 per week.

A revenue budget for K2I exists of £858,940 in 2022-23

- **Timescale**

12 months

- **Risk**
Establishing in house provision would require both capital and revenue streams and upfront costs may impact on the value for money of the project outputs.
Without the ability to spot purchase or access framework providers then we would be solely reliant on this internal provision.

Option 5 - A Combination of Option 1 and 4 above

- **Outputs**
A new in-city restorative practice children's home (two homes to house two children each x2 for 2 children), outside of the city centre, with a clear statement of purpose to meet the needs of our most complex Children and Young People in Care requiring residential provision and use of spot purchasing and framework provision.
- **Benefits**
Allow placement teams to make evidenced based justified decisions not reliant on availability but appropriateness to meet need.
Be able to put in place the full range of support at an earlier opportunity rather than waiting for placements to break down. Allowing a reversal to step down from rather than up to residential provision.
End our reliance on high cost out of city private provision which has proven to be detrimental to our CYPiC, lacking the local support networks they require.
Be able to redeploy highly skilled staff serving this provision during periods of voids to other areas of the business. Something we are unable to do with private providers.
Have flexibility with oversight of the service model in order to adapt to meet changes in Government Policy or Strategic Priorities
- **Outline Costs**
A Full Business Case is required to understand the full costs.
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A revenue budget for K2I exists of £858,940 in 2022-23
- **Timescale**
12 months
Immediate use of framework and spot purchasing in the interim period
- **Risk**
Establishing in house provision would require both capital and revenue streams and upfront costs may impact on the value for money of the project outputs.

As above – is there a risk to what we do in the meantime or is this a benefit in that we can start spot purchasing straight away?

4. Recommended Option

The Residential Provision Review Project Group recommends Option 5. By opening our own specialist restorative practice children's home AND continuing with spot purchasing and framework provision. this option allows us to;

- Have ownership and control over the statement of purpose and running of the children's home.
- Means we keep the flexibility of regional framework and spot purchasing arrangements.
- Allow placement teams to make evidenced based justified decisions not reliant on availability but appropriateness to meet need.
- Be able to put in place the full range of support at an earlier opportunity rather than waiting for placements to break down. Allowing a reversal to step down from rather than up to residential provision.
- End our reliance on high cost out of city private provision which has proven to be detrimental to our CYPiC, lacking the local support networks they require.
- Be able to redeploy highly skilled staff serving this provision during periods of voids to other areas of the business. Something we are unable to do with private providers.
- Have flexibility with oversight of the service model in order to adapt to meet changes in Government Policy or Strategic Priorities.

This option, however, requires further analysis and a fully costed business case before proceeding.

Appendices

Appendix 1 – Home from Home – Children's Commissioning Resident Review



Home from Home
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Appendix 2 – Children's Residential Review Dashboard Summary



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