FUTURE DIRECTION OF RESIDENTIAL CHILDCARE PROVISION WITHIN THE BOROUGH

1.0 PURPOSE OF REPORT

1.1 To seek Cabinet approval for the future direction of residential childcare within the Borough.

2.0 EXECUTIVE SUMMARY

2.1 This report sets out proposals for the future direction of residential childcare provision to meet the needs of looked after children within the borough.

2.2 The report sets out the preferred future option which is a mixed economy of directly provided and externally commissioned placements.

3.0 RECOMMENDATIONS

3.1 Cabinet are requested to agree:

i) The future direction of residential child care provision as set out

ii) The development of Tylon House as a 5 place residential children’s unit with the building being leased from the current owner

iii) The formal closure of 43 Netherhey Street and declaring the building appropriate for disposal

iv) The department to seek alternative accommodation to replace Newport Street with 6 to 8 places and once secured to declare the building appropriate for disposal.
v) The department to seek alternative accommodation to replace the respite unit for children with disabilities at 45 Netherhey Street and once secured declare the building appropriate for disposal.

4.0 INTRODUCTION

4.1 Oldham currently provides accommodation for almost 400 children and young people who are looked after by the local authority.

This gives a rate per 10,000 population of 64 compared to the national average of 52 per 10,000.

In line with the national trend the looked after population in Oldham has risen significantly in recent years. However the local picture is of a relatively sudden and dramatic rise in the period from January to September 2004 which appears to be greater than the national picture.

4.2 This sudden rise had had a significant impact on the financial position of the service. The service has insufficient capacity to provide placements for all the children who need them resulting in a significant rise in the purchase of out-of-borough placements.

As at 1.11.04 there were 359 looked after children. Of these, 25 were placed in out-of-borough residential provision and 76 in Independent Sector Foster placements.

The financial impact of this is: that

- Average cost out-of-borough residential £3600 p.w
- Average cost in house residential £2380 p.w
- Average cost in house fostering £234 p.w

Budget for Out-of-Borough Placements: Residential £1,133,000

IFA £1,083,000

Predicted spend

- Residential £3,456,000
- IFA £2,695,000

Resulting in a predicted budget overspend of £3,935,000
5.0 CURRENT POSITION

5.1 The service has developed a robust strategy which includes the establishment of a provider forum which will ensure effective gate keeping of admissions into the looked after system and careful planning of all out-of-borough placements.

The provider panel is overseeing the process of identifying which children could return to in-house provision and which young people aged 16+ could safely move on from in-house residential care into supported independent living.

5.2 43 Netherhey Street was closed on a temporary basis in February 2004. The unit is not fit for purpose and the service does not wish to re-open the unit.

5.3 The Commission for Social Care Inspection has registered Newport Street. However the Commission for Social Care Inspection (CSCI) have imposed a condition on the registration that the home is only registered until January 2006 by which time it should be replaced as the building is not fit for purpose. We are currently applying for a ‘variation’ of this condition of registration to allow the building to continue to be used as a children’s home until January 2007. The service agrees with this condition.

5.3.1 CSCI have imposed a similar condition on 45 Netherhey Street i.e to close by January 2006. The service agrees with this condition but it is unlikely that we will be able to do this until 2007.

5.4 In August 2004 the service received a report which it had commissioned setting out the future Accommodation Strategy for Looked After Children. That report considered the rise in demand, the services inability to ensure placement choice to meet the individual needs of children and the cost and quality issues surrounding placement choice. The report is positive about the quality of the in-house residential childcare provision but raises some concerns about the standard of accommodation and its “fitness for purpose.” Inability to match needs with placement choice is having a negative impact on the key performance indicator PAF A1 which has worsened from 12.1 in 2202/03 to 13.8 in 2003/04.
The report sets out an outline strategy for the future direction of provision for looked after children. It is complimented by a separate report on the development of the in-house fostering services. The recommendations in 3.1 of this report will ensure these recommendations are taken forward appropriately.

5.5 The key recommendations relevant to residential provision are:

- Establish an estate management strategy for the buildings which should include consideration of stock transfer and lease back

- Re-focus in house provision on meeting the needs of 14-17 year olds with under 14’s being placed in foster care

- Commission external provision for young people with more challenging behaviour

- Increase in-house capacity from the current level of 20 in-house placements to 24

- Re-provide the current Newport Street unit by replacing with two four place units

- Commission an additional 12 residential places from the independent sector

- Re-provide children’s disability respite care in partnership with education and health. This is to ensure dedicated provision for vulnerable children with complex health needs and those with challenging behaviour.

The service has entered into negotiations with the owner of Tylon House and has agreed to lease the building for the purpose of opening as a residential children’s home. CSCI have done an initial visit to the building and are satisfied that it is fit for purpose.
6.0 OPTIONS/ALTERNATIVES

6.1 The preferred option is to agree the future direction as set out in this report which will give a mixed economy of directly provided places and specialist commissioned places. The preferred option will enable the service to consider a wide range of future options including stock transfer and lease back buildings.

6.2 An alternative option would be to provide all future accommodation in-house. This would not be in line with national government policy. It would require significant financial investment – both capital and revenue and would tie the service into a level of provision for which future demand may reduce.

6.3 The third option would be to cease providing any residential child care in-house and to commission all provision from the independent sector. Oldham has a good range of provision. The Commission for Social Care Inspection reports confirm the service is of a good standard and is improving. The service has demonstrated its ability to work effectively with the young people needing the service and there are advantages to some provision being managed in house. Whilst the in-house service requires some investment in terms of replacement buildings and improved staffing establishments the unit cost information indicates that this remains a cost effective option.

7.0 PREFERRED OPTION

7.1 Cabinet is asked to agree Option 6.1 and the detail in Section 3.1

8.0 CONSULTATION

8.1 Consultation has taken place with staff within the service as part of the preparation of the Consultant’s report.

Consultation has taken place with the Cabinet Member for Social Services and Children.

Consultation with local ward members and members of the public around Tylon House is ongoing
9.0 **FINANCIAL IMPLICATIONS**

The proposal sets out the future direction of residential childcare provision to meet the needs of the looked after children’s within the borough.

1. The development of Tylon house initially as a four bedded home would cost £464,000 inclusive of staff, running cost & dept/central overheads.
2. To operate two single four bedded homes would hence cost £928,000.
3. The Revenue savings to be gained from closing six bedded Newport St would be £595,000. (Hence an additional cost of £333,000 by moving from one six bedded home to two *four bedded home*)
4. The formal closure of 43 Netherhey (which is currently not in operation) and 45 Netherhey would approximately generate combined receipts of £250,000. The formal closure of Newport St would also approximately generate receipts of £250,000.
5. The service needs to retain the capital receipts in order to re-invest.
6. Further detailed costing will be forwarded as the options outlined in the report develops further.

10.0 **CORPORATE HUMAN RESOURCES COMMENTS**

The service must ensure that staff and trade unions are involved at early stages if the above changes are to have an impact on staffing arrangements, terms and conditions, staffing structures etc.

11.0 **LEGAL SERVICES’ COMMENTS**

None [LJ]

12.0 **TREASURER’S COMMENTS**

See Financial Comments [at Section 9.0]

13.0 **IT IMPLICATIONS**

There will be minor IT implications requiring the transfer of IT equipment to the new property.

14.0 **PROPERTY IMPLICATIONS**

The property implications in this report are in line with the Social Services Accommodation Strategy considered by Cabinet on 9th December.
15.0 ENVIRONMENTAL AND HEALTH AND SAFETY IMPLICATIONS

N/A

16.0 COMMUNITY COHESION IMPLICATIONS (INCLUDING CRIME AND DISORDER IMPLICATIONS IN ACCORDANCE WITH SECTION 17 OF THE ACT)

N/A

17.0 FORWARD PLAN REFERENCE

KEY DECISION:- YES/NO.
If YES:-

18.0 DECISION

As Recommendations in Section 3.1 and Preferred Option at Section 6.1

19.0 SUPPORTING PAPERS

In the case of an EXEMPT report, this section can be deleted.

Following is a list of the background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by that Act.

File Ref - < include name or number of file or the words “records held in Department” >

Any Person wishing to inspect copies of the above background papers should contact:-

< include officer’s name and telephone number >

<> If the report is a delegated item, the appropriate boxes should be included for whoever the approval is delegated to.

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