

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4287

Author:

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Department:

People

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Subject:

To Open A Four Bed Medium To Long Term Childrens Home

Total Value:

£702,577 and £30,000 set up costs (Type: Revenue)

Decision Being Taken:

To

a) open a new Children's Residential Home in a property offered by Nottingham City Homes (details of which are in the exempt appendix) to be utilised for medium to long term placements with an emphasis on complex children and young people who are currently placed out of county and those coming into care who have to be placed in private provision due to lack of internal options (Executive Decision)

b) create and recruit to a team to staff the Home comprising 1 Registered Home Manager, 1 Assistant Home Manager, 9.5 Children's Residential Social Care Workers, 2 Night Care Assistants and 0.5 Business Support Officer (Non Executive Decision taken under Delegation 16)

Reasons for the Decision(s) The aim of the proposal is to provide a home for four children/young people in the care of the Local Authority with complex needs, who require medium to long-term care between the ages of 10-18. This approach will help to improve outcomes in relation to the young people's wellbeing and to assist with the potential significant saving in excess of £200,000 to the Children and Families budget, identified in the Council's Children In Care Review.

Nottingham City Council has a duty to accommodate children under the following legislation: The Children Act 1989, Children (Leaving Care) Act 2000, Children and Young Person Act 2008. In order to facilitate the provision of accommodation to young people under the care of the local Authority, Council-owned accommodation is sought by the Children and Adults Team. Providing an in-house provision is the Council's preferred route as it is less expensive and provides more stability than private residential provision. The model is already used successfully in other locations in the City. The proposal is to make the property available on a long-term basis to the Residential Services, within the Children and Adults Department. Staff from the Children and Adults Department will reside at the property full time to provide appropriate care and support. Nottingham City Homes will continue to manage the property with the responsibility for undertaking necessary repairs and servicing of appliances as required.

Briefing notes documents: Briefing Note For new four bed Children's home without address details.docx

Other Options Considered: To continue to rely on the private market. In the private market placements are in short supply and prices are continually increasing, and therefore this option has been rejected. The proposal is based on an Invest to Save model that avoids using expensive external placements.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt:

Details of the property

Financial information and advice

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

2 - Information which is likely to reveal the identity of an individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it is vital that the address details of a children's home are kept confidential to safeguard children and young people in the care of the local authority.

Documents exempt from publication:

BRIEFING NOTE FOR M. Road 8th March 21.docx

Consultations:

Date: 07/04/2021

Ward Councillors: Georgia Power, Jay Hayes, Audra Wynter

All councillors commented that they felt that the Council opening a four bed children's home to keep children local and not sending them miles away from their city/family/friends/school and the professionals around the child due to lack of local provision can only be a positive move.

Date: 10/05/2021

Unions: Unison

Response was that this is a very positive proposal, keeping children and young people local instead of having the potential to be moved miles out of the city to very expensive private provision. She also commented that Nottingham City Children's Residential Service offers Good and Outstanding care. She further commented that this was good for providing local jobs for local people.

Date: 15/01/2021

Other: Holly Macer, Service Manager of placements Service

The response was very positive and expressed concerns for lack of placements generally and ever increasing costs of private providers, particularly in light of the covid pandemic. Having children and young people placed locally generates more positive outcomes in general. However, there will always be a need to place some children outside of the local area due to safeguarding reasons, for example.

Date: 18/02/2021

Chief Finance Officer: Stewart Clarke, Christine Green, Clive Heaphy

Please see the briefing note attached to this form for finance comments.
Finance colleagues confirmed that the £30,000 is not classed as capital costs and that the set up cost is below the de-minimus and relates to mainly decorating/preparation costs that would come from the revenue budget. Therefore consideration by the Capital Board is not required

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: No significant change to policy and procedure

Relates to staffing:

Yes

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/07/2021

Advice Sought:

Legal, Finance, Human Resources, Property

Legal Advice:

The proposal has the effect of meeting the council's statutory obligations to looked after children. The relevant legislation is identified in the body of the proposal. In particular, there is a general duty upon local authorities under Section 22 of the Children Act 1989 to:-
-secure sufficient accommodation for looked after children (section 22G);
-including a range of accommodation and in particular accommodation in the local authority's area (section 22G(3)(c), section 22C(8) & (9);
- the duty to identify a placement for a child within the local authority's area applies save for circumstances where it is not reasonably practicable. It follows that reasonable steps should be taken to ensure availability of placements within the local authority's area.

Registration of a person under Part 2 of the Care Standards Act 2000 will be required and the Children's Homes (England) Regulations 2015 will apply. Advice provided by Natalie Grant (Team Leader, Children & Adults Legal) on 24/05/2021.

Finance Advice:

Finance advice is provided in the attached document. Advice provided by Christine Green (Strategic Finance Business Partner) on 09/06/2021.

Advice documents: 2021 06 08.docx

Property Advice:

This decision is supported by Property Services. The Development & Disposals Team will provide any necessary property advice and support required by the service to take this proposal forward. Advice provided by Beverley Gouveia, Development & Disposals Manager 17.05.2021. Advice provided by Beverley Gouveia (Estates Surveyor) on 17/05/2021.

HR Advice:

HR comments are provided in the attached document Advice provided by Labeeb Aslam (HR Consultant) on 19/05/2021.

Advice documents: HR Comments on DDM New Childrens Home.docx

Signatures

Cheryl Barnard (Portfolio Holder- Children and Young People)

SIGNED and Dated: 20/07/2021

Catherine Underwood (Corporate Director for People)

SIGNED and Dated: 19/07/2021

BRIEFING NOTE FOR: Director

DATE: 14/02/2021

TITLE: New Internal Residential home – M. Road

1. SUMMARY

This briefing note is in relation to a new proposed property that has been offered by Nottingham City Homes as suitable accommodation for internal children's provision. It is proposed that the property be utilised for long term placements with an emphasis on complex young children who are currently placed out of county at considerable cost due to lack of Internal options. It is recognised that wherever possible young people in care should be placed close to family and friends. Placement Service recommend that there is a real need for further internal accommodation that can provide excellent care for our children and lighten financial burden on our budgets.

2. BACKGROUND

This proposal is to provide a 4 bed home which can be utilised for children with complex needs and emotional behavioural difficulties who may require long term residential care due to life experiences.

The current position is that we have four two bedded long-term homes, one three bedded and one four bedded short term emergency home which are all equipped to take children and young people who have had complex histories and therefore present with some multifaceted challenges and behaviours. We are currently providing long term residential care for eleven young people within our internal provisions.

The provision of Small Group Homes has been well established since 2011 and all of our homes are rated as Good or Outstanding by Ofsted and considered to be providing excellent outcomes for the young people residing in them.

This proposed home will have the appropriate staffing to address these challenges as well as bringing appropriately identified children and young people back to Nottingham City from expensive external provision which can cost on average £4530 per week per bed (February 2021)

We currently have 78 children placed in external residential homes. The further added value to having this 4 bed provision would be in regards to children and young people's access to local CAMHS, as we often struggle to access the right resources when our children/Young people are placed out of area. Also preventing school moves and disruption for children, maintaining local knowledge and relationships with partner agencies such as police, YOT, etc. can only add to better outcomes for our young people as well as reduce costs.

The property identified is on M. Road in the North area of Nottingham City. The property is a large detached house within a residential area.

Further to the internal accommodation, there is a large enclosed garden which has been well maintained and would provide a great space for young people to enjoy the outdoors within a safe environment. The property also benefits with having a large front garden.

The property is located in a quiet Residential area of the City, which offers good access to transport, schools and local amenities.

Financial Implications-Stewart Clark:

Projected costings

Assumptions:

The budget for a comparable current 4 bed home (B R) for 2021/22 is £702,577.

However, it should be noted that B Road is currently forecasting to overspend by £60k due to staffing pressures not budgeted for (Covid and staff sickness). Further information from the service is required for HR and Finance to fully understand the impact of staff spending and what budget is required to meet this.

Running costs of £58,550 based on B Road and the other homes appear to be adequate and no additional pressures are expected.

The service assumes the following staffing is required for M Road to mirror costs of B Road

- 1 Registered Home Manager
- 1 Assistant Home Manager
- 9.5 Children's Residential Social Care Workers
- 2 Night Care assistants
- 0.5 Business Support Officer

Total cost of running the home = £702,577

An additional £30,000 is requested for set up costs, which will include, IT set up, recruitment, decoration, furniture and registration fees.

Based on the above staffing pressures, costs include allowances to cover for Annual Leave, Paid breaks, Mandatory Training and Pension Deficit of 7.5% and includes Vacancy Saving of 2%. The budget required includes a deduction of £10,088 that would also need to be saved by the service for vacancy saving that is unlikely to be achievable due to minimum staffing levels.

The impact of sickness hasn't been factored into the staffing costs. Based on the average costs in 2020/21 at P10, there is a risk that an additional £10k will be included in any budget assumptions for the new home.

MTFS Decisions:

The savings target in the MTFS for 21/22 is £34,000 and following years is £200,000. This was original based on a 6 month lead time, £25k set up costs and a 3 month training programme for new staff.

For the service to prove viable, the service should not accept any child which would bring the average cohort placement costs under £4,250 per week. E.g. 3 placements at £6k per week and one placement at £4k per week would still give an average of £5.5k per week. The service will have to build this into their savings tracker and factor in the impact of the average rate of the cohort to any decisions. Variations of contracts of 5% and bed vacancies rates of 5% had also been factored into these savings targets. To monitor this a tracker must be set up by the service to monitor savings/cost avoidance and number of days beds are vacant.

In addition to robust monitoring, the organisation should satisfy themselves that the internal provision is operating at maximum efficiency. It is recommended that Key Performance Indicators are established in conjunction with Finance and Insight & Analysis colleagues to provide confidence and mitigate the current gap of data to support performance and forecasting.

Finance have concerns over the forecasting and the understanding of cost of staffing within residential homes. There can be delays in employees claiming additional hours or allowances. Therefore the forecasts can fluctuate significantly between forecasting periods. We would welcome a review by the service to the current approach to ensure consistency and improved accuracy.

Consideration should be given to the risks associated with this report and its impact to the organisations financial position.

There is no budget included in the MTFS to fund the costs of identified in the report. The proposal is based on an Invest to Save model that avoids using expensive external placements, hence the need for assurance the internal provision is operating at maximum efficiency levels.

The figures exclude inflation, Terms and Conditions increases to staffing. Any additional staffing requirements needed based on the complexity of the children will need to be fully costed and factored into the savings trackers before any child is accepted at the home.

Please see detailed finance information on Appendix 1.

If the briefing note is supported a DDM is required for approval for sign off. This is to be completed by the service.

In addition savings will be made by a reduction in social work and IRO time having to travel distance, which incur additional costs to perform visits and reviews. Although this is unlikely to be realised or significant in amount.

3. CONCLUSIONS

This proposal is designed to meet the long-term needs of our more complex children in care. By providing such a provision within the city, children and young people will have better access to all professionals and stakeholders involved in their care plan. It will enable young people to be fully supported in their transition into adulthood

By offering this level of support in house, we can reduce the cost of external placements and maintain our high quality service we provide. As per the projected costings this will have a positive impact on our budgets.

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Financial Observations – New 4-Bed Residential Home, Children in Care

The financial advice is a high-level summary that requires further due diligence once the programme is further advanced and matching confirmed.

The decision seeks approval to establish a new 4-bed residential home offering internal provision to children and young people of Nottingham and reduce the reliance on expensive external provision.

This proposal links to an approved £0.034m budget saving in 2021/22, rising to £0.200m from 2022/23. Failure to approve the decision will require alternative solutions to meet the agreed MTFP targets.

Using a similar Internal Residential home, the required staffing establishment is 14fte. The financial analysis includes all on costs, vacancy savings, allowances and mandatory training applicable to the service. The analysis **excludes** inflation and costs associated with covering sickness or using agency, which may create a pressure for the service in the future. The analysis also excludes any below the line costs.

Based on the above, the annual investment required is £0.703m. A further £0.030m is included in year 1 to fund set up costs (IT, recruitment and registration fees).

In the absence of an agreed budget for the above, the service aims to fund this through a reduction in external placement costs (Invest to Save). The service is clear that any agreement would **increase the budget saving** to include additional costs associated with the decision.

The table below summaries the forecast spend and bed price. Financial year 2021/22 represents a partial year impact based on the services current project timeline

Forecast Spend		2021/22 £m		2022/23 £m	
Total Forecast Spend		0.276		0.703	
2021/22 MTFS Portfolio Saving		0.034		0.200	
Total Gross Target		0.310		0.903	
Number of Beds		4		4	
Cost per Bed		0.078		0.226	
Unit £ per bed	2021/22 £		2022/23 £m		
	Core	Adjusted	Core	Adjusted	
Bed Price from 01/12/2021	4,602	5,063			
Bed Price from 15/12/2021	5,123	5,636			
Bed Price from 31/12/2021	6,034	6,638			
Bed Price from 01/04/2022			4,339	4,773	

The bed price in 2021/22 is dependent on when matching and placement dates. Currently, the time line suggests December; however, not all placements will occur at the same time.

The adjusted weekly bed price includes a 10% variation to contract price and occupancy changes.

For the service to prove viable, the service should aim to place children and young people that would cost in excess of the adjusted average bed prices on the external market.

The following points for consideration and risks are noted:

1. The above analysis assumes the services current trajectory and timelines. Further analysis is necessary once the proposal is advanced and matching confirmed. This is likely to impact financial assumptions
2. Changes to assumptions such as sickness or agency costs **are not included**. Failure to recruit to vacancies or cover sickness will affect the financial outturn of the home and could create a financial pressure for the organisation.
3. How efficient is the model and how performance be monitored, including changes in assumptions to provide a robust forecast position. It is recommended KPIs are established in conjunction with Finance and Insight & Analysis colleagues to ensure consistent reporting.
4. In addition to the above, monitoring costs to demonstrate the benefit of internal against external provision and reviewed prior to all matching.
5. There are several saving programmes aimed to reduce high cost children in care. The service need to ensure there is visibility across the programmes to avoid the risk of double counting and to scope the opportunity for wider transformation across the department.

Summary

The above are indicative figures using only averages and subject to change. Any deviation from the assumptions will require further financial analysis to highlight any impact to the performance and forecast outturn of the programme.

In light of the organisations financial position, it is imperative that placements and staffing aligned to the programme are able to achieve the financial targets in all years.

The Childrens Sustainability Board is responsible for monitoring the programme, including all risks are documented with robust mitigation plans to ensure it achieves the financial targets aligned to the Medium Term Financial Plan.

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09 June 2021

HR Comments on DDM - Proposal To Open A New Four Bed Medium To Long Term Childrens Home

In order to staff the proposed Childrens Home, a team will be required to effectively run the establishment. Management are proposing to create new posts as follows:

1 Home Manager Grade I
1 Assistant Manager Grade H
9.5 Children's Residential Social Care Workers Grade F
2 Night Care Assistants Grade C
0.5 Business Support Grade D

Total of 14 FTE

All of these are existing Job Descriptions within the establishment. It is proposed that all the 14 positions will be recruiting to using a mixture of external recruitment and relocating existing staff already within the establishment to run the new premises, giving a balance of diverse and experienced team members.

Management should consider the need to recruit in light of the vacancy freeze implemented by CLT with immediate effect. A business case for recruitment is required with the support of the relevant Director and all requests should be submitted through the recruitment portal. All posts will be considered for redeployment and internal resource options should be considered first.

Management should be aware that the selected candidate(s) should commence on a starting salary of Level One within the respective Grade, unless the appointed colleague is already in employment at the council and on Level two of the same grade, in which case the employee would be matched over at the rate of pay they currently receive.

There will need to be a support and development plan for the new post holder once appointed in line with managing performance through the new probationary policy.

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19th May 2021