



CHILDREN AND FAMILY OVERVIEW AND SCRUTINY COMMITTEE-
5 MARCH 2024

CHILDREN'S INNOVATION PARTNERSHIP

REPORT OF THE
DIRECTOR OF CHILDREN AND FAMILY SERVICES

Purpose of report

1. The purpose of this report is to provide the Committee with an update on the Children's Innovation Partnership (CIP), with a particular focus on the residential redesign.

Policy Framework and Previous Decisions

2. Local Authorities are responsible for the most vulnerable children living within its borders. There is a duty of 'sufficiency' that requires Local Authorities and Children's Trust partners to ensure that, through direct provision or commissioned services, a range of services and placements sufficient to meet the needs of all children in care are available locally or that there is a plan in place to move towards that position. This duty is conducted in accordance with the Children Act 1989.
3. The Children Act 2004 and Children and Social Work Act 2017 allocate duties to Local Authorities to ensure that children are safeguarded, and their welfare is promoted. This legislation underpins the work of the Children and Family services with respect to looked after children, children in need, and children in need of protection.
4. The Council also aims to provide the right service at the right time (including placement and care), as set out in the Placement Sufficiency Statement and Market Position Statement 2021-23, and within the Continuous Improvement Plan 2024-2027 Achieving Excellence through purposeful practice' found in the appendix.
5. On 6 July 2018, the Cabinet gave agreement for the Director of Children and Family Services be authorised to publish an Invitation to Tender to form a Children's Innovation Partnership (CIP) with the Council, and in doing so approved the CIP programme.
6. Reports providing information on, and update on the progress of, CIP were then presented to the Children and Families Overview and Scrutiny Committee on 21 January 2020, 9 March 2021 and 7 September 2021.

Background

7. In December 2018, Barnardo's was awarded the Children's Innovation Partnership contract for up to a ten-year term, renewed on an annual basis. A Children's Innovation Partnership Board was established, including senior leaders from both organisations and the Lead Member for Children and Family services, to provide governance and challenge.
8. The key objectives of the CIP were to co-design services by sharing expertise and knowledge in the delivery of innovative solutions, contribute to transformational change through new and shared service delivery models, to co-deliver services that are focused on outcomes and value for money, to co-invest in providing additional resources and to review and develop new ways of working, and to develop the system leadership and collaboration between different organisations necessary to drive innovative systems change.

Financial Context

9. Demand for Children and Family Services continues to increase with growth of £41.3m projected over the period of the MTFs to meet children and family needs, arising from demographic growth and an increased need for social care. Poor market sufficiency and an inflexible market approach combined with excess demand for beds has led to a seller's market. Nationally it became increasingly difficult for local authorities to influence the market.
10. The other variable that has a big impact on placement weekly costs and the budget are the level of needs of each child and younger person. Again, these are not easy to predict accurately but there is a national trend of older children presenting with an increasingly complex range of emotional and behavioural needs, resulting in foster carers being unable or unwilling to foster these children and children's homes (residential homes) being able to command bespoke fees including additional support and waking night premiums.
11. Current analysis indicates that the average weekly cost per residential placement increased from £4.8k per week (budgeted average cost financial year based on previous trends) to the current average of £5.8k per week, which equates to a 21% increase in the last twelve months. The increasing cost of new placements compared to those placements ending is further compounding the financial pressures being projected.
12. Furthermore, over the last year there has been an 18.7% increase in the cost of the top ten high-cost placements. In 2022/23 there were two children with a weekly placement cost of over £10k a week (£14.6k and £10.1k). Since April 2023, nine of the ten highest cost children have been over £10k a week, four of which are significantly higher ranging from £12k- £14.3k per week.
13. Although there are a number of private providers operating children's homes in Leicestershire, often children within the Council's care are not prioritised for these homes. Partly because the provider must match children's needs and because providers receive multiple referrals a week and can opt to provide care for children with less complex needs.

14. Without access to local children's home provision, Leicestershire children can be placed a distance from their homes in private, more costly provisions which impact on the children's access to their communities, their families, professionals like their social worker and disruption in other areas like health intervention and education provision.

Children's Innovation Partnership – Residential Design

15. One of the key priorities for the CIP was redesigning children's (residential) home provision.
16. A period of comprehensive design work was carried out between January and September 2019, led by Barnardo's. The design work analysed strengths, areas for development, and opportunities, within the County, based on:
- Data analysis on the cohort of Leicestershire children in care conducted by data analysis company Machinable, focusing on demand, placement, and process characteristics,
 - Primary research conducted by the Barnardo's Service Design Team, with workshops involving subject experts from the County Council and Barnardo's, scheduled one-to-one interviews with professionals, and one-to-one interviews with eight young people who had current/previous experience of Residential Care both in and out of county,
 - Secondary research conducted by Barnardo's national Policy and Research Team, considering national trends in policy and practice.
17. This design work led to the proposal for local provision in Leicestershire - Phase 1, with agreed capital investment for two homes. Following successful bids for Department of Education matching-funding for capital investment of £1,991,422, Phases 2 and 3 were initiated to address continued demand and escalating costs for children's home care.
18. Phases 1, 2 and 3 of the CIP aim to open eight homes by March 2025, providing care for 23 children.
19. The first of these homes, The Old Post Office, opened in May 2023. There are two children living in this home, and a third child is soon to join them.
20. The second home, Welland House, was opened in January 2024. Welland House is a parent and baby assessment home. The aim of the home is to provide a supportive environment for parents with young children where they can focus on the needs of that child or children and learn to be the very best parents they can be. Often these are families on the brink of parent-child separation. Welland House has three self-contained flats, each comprising of a bedroom, bathroom and kitchen area, staff rooms and communal rooms. There are three families currently living in Welland House.
21. Two other homes are being prepared for opening, pending Ofsted Registration. These homes should be open by July 2024. And one other will be open by December 2024.

22. The remaining two homes will be open by March 2025. These homes will have a more specialist purpose and as such have specific building specifications and operational requirements.
23. There have been delays in the opening of homes. Timescales have been impacted on by a range of factors such as the COVID pandemic and the national lockdowns, availability of builders and building material, significant increases in cost of materials, increased cost of property during the period, faulty workmanship, lack of property on the market that meets the specification, poor condition of properties on the market, restrictive covenants, delays in the Ofsted registration process, and critical incidents (an accident causing damage to a property and theft at another property).
24. The Children and Families Department regularly reviews the needs of the children who need to be in a children's home. This includes data, finance information and knowing the specific needs of the children. In this way we make sure that we have the right homes for the right children.
25. In the context of the increasing costs of private children's home care, the drive to establish our own homes through a partnership with Barnardo's remains relevant and a proportionate response to the increase in complexity of child need and mounting MTFS challenge.
26. Given the importance of this programme, the Children and Family Overview and Scrutiny Committee will continue to receive updates from the Department.

Resource Implications

27. A capital allocation of £3.96m was agreed as part of the MTFS invest to save. The table below details the breakdown of the use of this capital allocation alongside the matched funding from DfE:

Phase	Properties	DfE Grant	Forecast LCC Contribution	Total Forecast Cost
Phase 1	Welland House	0	463,960	463,960
Phase 2	4 x Contextual Safeguarding Properties	945,870	981,325	1,927,195
Phase 3a	2 x EBD Homes	695,879	695,879	1,391,758
Phase 3b	Complex Care - Hospital Stepdown	349,673	1,819,415	2,169,088
	TOTAL	1,991,422	3,960,579	5,952,001

28. Anticipated on-going annual revenue savings of £2.5m are anticipated to be achieved by March 2028 and reflected in the refreshed MTFS. This will be kept under continual review with changes to anticipated projected savings reported back on a regular

basis based on needs of a particular cohort of children, and market conditions at any given point in time.

Background papers

Children's Innovation Partnership, Cabinet, 6 July 2018:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=5412>

Children's Innovation Partnership, Children and Families Overview and Scrutiny Committee, 7 September 2021:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MID=6515>

Children's Innovation Partnership, Children and Families Overview and Scrutiny Committee, 9 March 2021:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MID=6513>

Children's Innovation Partnership, Children and Families Overview and Scrutiny Committee, 21 January 2020:

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1043&MID=6179>

Placement Sufficiency Statement and Market Position Statement 2021-23:

https://www.proceduresonline.com/llr/childcare/leicestershire/user_controlled_lcms_area/uploaded_files/CFS%20Placements%20Market%20Position%20%20Sufficiency%20Statement%20October%202021.pdf

Circulation under the Local Issues Alert Procedure

29. None

Equality Implications

30. This model has been developed with the key driver of improving outcomes for children through finding the right placement first time, reducing placement breakdown, providing in-county provision, consistency of support and flexible provision.
31. This model is anticipated to have a positive result in terms of outcomes for children, so it is not anticipated that there will be a negative impact on any protected characteristics.
32. This model is aligned to Children and Family Services Departmental Plan priorities and objectives, and values as set out in the Road to Excellence, found in the appendix.

Human Rights Implications

33. There are no human rights implications arising from the recommendations in this report.

Other Relevant Impact Assessments

34. Health implications – local children’s home provision will reduce disruption to services, ensuring children and young people who need to be in children’s homes can access and have continuity of clinical care.
35. Education implications – local children’s home provision will ensure children and young people continue, where it is right to do so, to access their local schools and colleges.
36. Environmental implications – local children’s home provision will see a reduction in travelling for a range of professionals who are required to visit the home and see the child as part of their statutory duties; and will reduce the distance families travel to maintain contact and a relationship with their children.

Appendices

Children and Family Services Continuous Improvement Plan 2024-2027 ‘Achieving Excellence through purposeful practice’

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