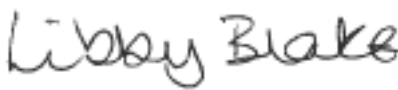




Haringey Council

Report for:	Cabinet Member for Children	Item Number:	
Title:	Options for the future of directly provided children's homes		
Report Authorised by:	Director of Children's Services 		
Lead Officer:	Debbie Haith, Deputy Director Children and Families		
Ward(s) affected:		Report for Key Decision	
All			

1. Describe the issue under consideration

This report summarises the various options for the future of the residential provision provided for Looked After Children directly by the Council within the contexts of:

- The services provided by the two principle homes – Home A and Home B
- The local residential market
- The planned market position as determined by the North London Strategic Alliance developments
- The intention of the Council to move to an early intervention model, including the development of rapid response, family intervention based team(s) for families with multiple problems

2. Cabinet Member introduction

- **As Corporate Parents our duty is to ensure that we have good quality provision for our young people. We must also make sure we are getting good value for money and making best use of our resources.**



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- Having carefully considered a number of options and studied the outcome of the consultation with both staff and young people I am happy to support the recommendation that we close these two homes.
- I believe there is sufficient good quality accommodation for our looked after young people in the private and voluntary sector.
- Preventing young people needing to come into the care system has to be a high priority and I am pleased that some of the money saved will be reinvested in early intervention services.

3. Recommendations

It is recommended that

- the two residential homes for children – Home A and Home B are closed with effect from 1/7/12 with a proportion of the resources redirected to new rapid response services in line with the Strategic Improvement Plan.
- The properties are removed from the CYPS portfolio and a decision made on their future disposal.

This is in line with the determination to ensure that all placements for Haringey's looked after children are recognised by external assessment as good or outstanding within a short timeframe, and that we secure better value for money in service delivery.

4. Other options considered

The various options are detailed below

5. Background information

5.1 The future of the two homes has been the subject of debate for some time with concern arising in relation to quality of provision and value for money. Various models have been considered, including the redevelopment of the homes within a new approach, the closure of one home with some redirection of revenue funding to develop more early intervention services or the closure of both homes along with the development of other services. The debate has been prompted by concern that outcomes for young residents are less positive than might be expected, the homes are not well placed strategically, do not provide value for money within the current market availability of residential homes and some concerns that the homes are under used, .

Taking the concerns raised in turn:

A. That the homes are not providing good enough outcomes:

HOME A has an overall remit which is based on providing preparation for independence for older (mainly 16 years plus) teenagers. In reality, the service offered is somewhere between a traditional children's home (communal living, general provision) and some opportunities for individualised self supporting programmes. The physical layout of the building, in its present form, does not sit well with an independence – based service,



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lending itself to a traditional “home” approach with a large communal kitchen, single main living space, etc. The young people living there have pathway plans which emphasise their potential for independence training but, in reality, these are not easily met in this accommodation. The current inspection rating is satisfactory, recently having improved from inadequate. The occupancy level at the home has been at a low level (4-5) over the past two years.

HOME B aims to provide a therapeutic environment for teenagers, the core purpose being to help with longer term planning and to help young people move on, either back to a family based setting or to planned foster care services, provided either in Borough or in an independently purchased placement. There is some evidence of success in these aims with some success stories and some creative individual work with young people. However, there is insufficient evidence that these outcomes could not have been achieved in a different setting, i.e. within foster care from the outset or that the numbers of such successes are particularly high in number. The home is rated as satisfactory, recently having improved from inadequate. Occupancy has been a problem for some time.

Both homes are in favoured locations in the Borough and are both in good physical repair. The key question is whether the service is able to support these homes effectively enough to continue to improve them to good or outstanding care at a competitive cost. The answer has to be that they are not currently showing any outstanding features and are not providing anything unique which could not be provided in another setting – either other providers locally or indeed within a reframed service model with a much greater emphasis on early family based intervention.

Further investment in these homes will not produce the results we seek in a reasonable timescale, does not represent value for money and may distract from the capacity to deliver other improvements to placements for children which are current priorities.

B. Strategic positioning:

The need for increased supported living arrangements and preparation for independence for older teenagers is well researched in the Borough but Home A is not a good or sustainable resource in this respect. Equally, the offer made by Home B can be provided elsewhere either in the wider market and/or through a fundamentally redesigned service provision.

C. Market availability:

The local residential homes market is the subject of a thorough rethink via the North London Strategic Alliance (NLSA). Haringey is taking the coordinating and current lead role in this. The six Boroughs making up the Alliance are in a process of market mapping, pricing analysis and renegotiation, both with Independent Fostering Agency providers and with residential and other specialist providers. The plan is to achieve greater price and placement stability through collective arrangements across the Boroughs, utilising the increased purchasing clout this will achieve. Part of this is the creation of a set of direct and proxy measures for quality outcomes which can be woven into the contract



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arrangements with providers. There is also a current e-auction process underway for the supported living arrangements for the Borough.

Analysis undertaken with Placement Officers indicates that the internal residential homes are not the first choice when a residential placement is sought, as is the case with fostering services. The evidence is that, should the Borough choose not to directly provide residential care, there is sufficient resource available in the wider market to fill the gap. There are 9 residential homes in the Borough – 3 provided by the Council including the respite care unit for children with disabilities. The six privately run homes are graded – four as satisfactory and two as good.

The two potential problems with this approach are, of course, (a) that competitive pricing is worsened without there being a Council run comparator and (b) there is no quality comparator. On (a), competitive pricing is a myth – the unit cost of a directly provided residential place is very high in any case and, importantly, the opportunity cost of continuing to provide directly is very high, as these are resources which can go into developing “upstream” early intervention and other services if they are not tied up in “downstream” provision. As to (b), quality comparators, the internal residential homes are not good examples currently and do not hold up a standard to the independent sector.

5.3 COSTINGS

(a) Unit costs

The current unit costs of the two homes are: (Based on the base budget direct running costs of the homes and including premises related expenditure and capital charges)

Home A:

At full occupancy – £2346 per week

At average occupancy over the last year - £3754 per week

Home B:

At full occupancy: £2884 per week

At average occupancy over the last year - £3841 per week

The costs of other local similar provisions are:

Of the 6 local homes, 4 are graded at good or satisfactory and have a basic weekly price of between £1800 and £2000 per week.

If the assumption is made that the worst case scenario would be to incur replacement costs at the going local independent sector rate for the average numbers accommodated



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at the two Haringey Council homes, there is the potential for a saving of £319k in a full year at Home A and a saving of £398k in a full year at Home B. A total of £717k.

Even with an assumption that all 14 places will need to be repurchased, the saving is £249k in a full year.

The actual savings are potentially greater, as the replacement service needs of the particular young people currently at the two homes are lower than the residential rate in many cases, as the preferred placement will be in fostering or in a semi supported independent placement.

(b) Staffing

Agency staff make up approximately 60% of Home B establishment and approximately 50% of Home A. The potential redundancy costs at Home B are low at around £10,000 and around £90,000 at Home A.

5.3 OPTIONS:

There are 4 viable options –

- Stay as we are
- Redevelop the homes
- Seek another provider to run the homes
- Close one or both homes and reinvest in early intervention services

Taking these in turn:

➤ Stay as we are:

It is difficult to justify doing nothing as a viable option for the reasons stated. The homes do not fulfil a unique function and are not performing well enough at present

➤ Redevelop the homes:

It is difficult to see how the redevelopment of the services can be achieved without considerable new cost, both in terms of staff retraining, support, etc and in terms of changes to the physical layout and functioning of the homes. Good outcomes can be achieved by negotiation with other providers both within and outside of the NLSA changes underway.

➤ Seeking another provider to run the homes:

This could be viewed as a viable option if there was a confidence that a new provider would be prepared to commit considerable resource to physically revamping the homes, investing in staff retraining and development and establishing a long term relationship with the Council at no increased unit cost. This is highly unlikely to be achieved.



- Close one or both homes and reinvest in early intervention services:

The case for the investment in more “upstream” preventative early family intervention services has been made in the emerging Strategic Improvement Plan and provides a key tenet of the planned changes to Haringey’s service profile. A dedicated new rapid response service, either independently run or directly associated with the current FIP will cost in the order of £120k revenue per year. This is based on similar models in other Boroughs with a similar demography / demand profile. Any such new service needs to be seen as a part of the overall shift to an approach which is characterised by an early response to crises, the avoidance of statutory intervention (including Police Protection Powers), intensive family support and an increased pool of in Borough foster carers.

As a core part of this new service profile, the future of in Borough residential provision as set against reinvestment in new services cannot be either economically or professionally justified. Closure of both homes would reveal direct revenue savings which could be reinvested in these new services. Some staff can be redeployed to the rapid response team roles with some modest investment in retraining and development. There is no inherent logic in closing just one home, as both can be demonstrated to not fulfil core expectations and, as outlined earlier, the risk in terms of insufficient provision is not high.

5.4 Closure programme:

A detailed closure programme was drawn up following the in principle decision to close the homes, subject to consultation and equalities impact assessments, which was made at the Cabinet meeting on 7/2/12. There were various important aspects to this:

- (i) Informing the young people living at the homes, helping and advising them on options and achieving a successful and positive move to alternative placements. This process was enhanced by extending the advocacy contract with Barnardos so they could act as advocates for the young people. This ensured objectivity in the process and gave the young people a solid platform from which they can move on to other more suitable placements. In many cases this will mean moving on to placements which encourage independence and the preparation for adulthood.
- (ii) Staff were notified of the changes and HR and legal requirements complied with. There is sufficient time built in to the proposed closure programme to ensure that staff receive proper notice and are prepared for the changes, which may include redeployment and/or retraining for some staff.
- (iii) Notifying Ofsted of the changes
- (iv) Consideration of the capital and asset effects of the closures, including plans for securing the buildings. Consideration has been given to the future use of the buildings - there are several options including:
 - (iv)i The sale of one or both of the homes on the open market with the capital receipt being accrued by the Council. There are no restrictive covenants or conditions upon the sale of these properties. The likely capital receipt has not been assessed but will potentially be significant for both properties as they are in favoured residential areas and have



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considerable potential for residential conversion, including parking space and adjacent land.

(iv)ii Conversion of one or both of the homes to other use within the Council.

(iv)iii Lease or rent to a third party by the Council with a consequent rental income.

The question of alternative uses within Children's and Young People's Services has been explored and there are no obvious desirable options for this. There will be a need for premises for early intervention and intensive support services as part of the service improvement plans but these properties are not well placed geographically for this. The requirement will be in the more deprived areas of the Borough. Also, the properties are large and do not lend themselves to easy or economic conversion to the types of family work envisaged.

5.1 Process Leading up to the Cabinet Decision

On 26th January 2012, the Deputy Director for Children and Families and the Head of Service for Commissioning and Placements met with staff at both Children's Homes separately and explained that there was to be a recommendation for closure. The outline of the paper was explained to staff. The paper was circulated to staff on 30th January 2012, shortly before it became a public document. On 7th February 2012 Cabinet gave the approval to commence formal consultation with staff from both homes and all resident young people. This outcome was relayed verbally to staff in both homes and to a number of the resident young people on 8th February 2012.

Since that date, the Head of Service for Commissioning and Placements has been available to meet with staff on the following dates and has visited the Homes for that reason: 20th February, 24th February, 2nd March, 7th March. Follow up emails have been issued to all staff, on 8th February, 15th February, 24th February, 28th February, 1st March, 7th March, 19th March, 20th March and 27th March. Emails outlined the process for staff and provided regular updates on available vacancies, and related processes, as requested by staff.

A two month consultation period was undertaken and ended on 13th April 2012. The consultation with young people has been facilitated and supported by Barnardos. Further details are available in the Service Delivery Equalities Impact Assessment (Appendix A) and in the report from Barnardo's describing their part of the consultation (Appendix B).

As noted elsewhere, all young people will have moved on, before any closure, as part of their existing plans. No changes to planning have been necessary for any young person as part of this process.

5.2 Current Staffing Establishment



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The list of established posts can be summarised as follows.

Residential Home	Number of Posts	Headcount
Home A	26	19
Home B	18	9

5.3 Staff Consultation Process

The formal staff consultation process in connection with the proposal to close the Residential Homes commenced on 8th February 2012 and ended on 9th March 2012.

Senior Managers met with Trade Union representatives on 24th January 2012 to explain the position. Trade Union representatives were present at the meetings with staff on 26th January and 8th February 2012. A meeting was held on 23rd March 2012 to verbally feedback to staff about the consultation. A UNISON representative was also present at this meeting. The UNISON response is attached at Appendix C: The GMB did not provide a written response.

Issues discussed on 23rd March, are attached in Appendix D.

Staff were keen to be updated about potential vacancies across the service. This has taken place through the aforementioned visits and emails. Staff were encouraged to express interest (without obligation at this stage) and to complete skills audits as a means of preparing for potential redeployment. Further to this, staff have been offered training and some shadowing opportunities. Specific targeted training in CV writing and Interview Skills has been offered and a number of staff have availed themselves of this opportunity.

Upon deletion of the posts, the Council's Restructuring Policy will continue to be implemented, in which case every attempt will be made to deploy affected staff into any suitable posts that may be available.

1. Comments of the Chief Financial Officer and Financial Implications

The Table below summarises the full year revenue effect arising if the closure of the homes proceeds following consultation that was approved as part of the Council's 2012-13 budget setting process. The actual re-provision costs for the children who were accommodated at the homes is dependent upon the number and relative complexity of them. However, it should be noted that new children are not currently being placed in the homes and the number of remaining children has fallen to 3 at time of writing.

Management action is also being taken to use substantive staff effectively across the service and minimise other costs where possible. Subject to the final decision there are a small number of notice periods which extend beyond July, although the costs of this is not significant. In summary therefore it is anticipated that part year



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savings costs with effect from July remain secure pending the final decision being made.

Table 1 – Revenue Financial Impact

Description	£000	Proposed Treatment
Existing Residential Homes budget provision (excl. capital charges)	1,784	Base Budget Provision
Application of resources		
Agreed savings 2012-14 MTFP	500	Savings target (MTFP)
Estimated re-provision costs	1,000	Added to placements budget (CYPS)
On-going property maintenance costs	25	Added to surplus property budget (Place & Sustain)
Potential additional savings	259	

2. Head of Legal Services and Legal Implications

7.1 For reference comments from the previous report have been inserted.

7.2 The Council has a general duty to children in need within the Borough to provide accommodation in accordance with the criteria prescribed by Sections 20 and 21 Children Act 1989. There is no policy or Council strategy which provides that the Council must meet these obligations by direct provision. The commissioning arrangements currently in place meet the needs of the service users affected and any new arrangements should continue to meet these needs so that the Council may discharge its duties without the need for these homes.

7.3 The decision by Cabinet was taken in line with legislative requirements and was delegated to the Cabinet Member for Children so as to allow for meaningful consultation with service users, providers and other stakeholders as well as staff.

7.4 In reaching their decision Members must also have specific regard to the Council's public sector equality duty and thus should take into account the full equality impact assessments which have been completed.

7.5 The extent of the public sector equality duty on the Council is enforced by the Equality Act 2010 and particular consideration must be given to the effect of proposals on a number of specific groups within the community, defined as those with protected characteristics under the Equality Act 2010 (by reason of their ethnicity, sex, age, or disability and to the proposals made to reduce or mitigate any such effects.

7.6 A decision to close these homes will have specific consequences for the staff who are employed by the Council within the units concerned. The Council's Corporate Committee or, alternatively, officer delegation arrangements under the remit of the



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Corporate Committee, retains responsibility under the terms of the Council's Constitution for decisions regarding changes to the staffing establishment.

Members should, before making any decision concerning the closure of these units give due consideration to the completed consultation with staff and trades unions while taking into account the outcome of consultations with service users.

- 7.7** In reaching their decision Members must also have specific regard to the Council's public sector equality duty and thus should take into account the full equality impact assessments which have been completed.

3. Equalities and Community Cohesion Comments

- 8.1** Detailed Equalities Impact Assessments for Service Delivery and for staffing have been carried out in relation to these proposals and are attached as Appendix A and Appendix E

4. Head of Procurement Comments

Head of Procurement confirms no comments necessary.

10. Policy Implications

- 10.1** As detailed in report.

11 Use of Appendices

- 11.1** Appendix A – Equalities Impact Assessment - Service Delivery
- 11.2** Appendix B – Service User Consultation Response from Barnardo's (**Exempt**)
- 11.3** Appendix C – UNISON Trade Union response to consultation
- 11.4** Appendix D – Minutes from feedback session on outcomes of consultation (to staff) – 23rd March 2012. (**Exempt**)
- 11.5** Appendix E - Equalities Impact Assessment – Staff.

12 Local Government (Access to Information) Act 1985

N/A.