

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting17th February 2022

1. Title of Item/Report

Investing in Children - Proposals to develop further high quality provision to meet the needs of Children in Care and with additional needs

2. Record of the Decision

Cabinet noted the numbers of young children currently in care in Stockton on Tees, and the associated costs of such placement.

It was noted that there were a number of key challenges for the Council in meeting its statutory duty to secure sufficient provision for children in care, namely:

- a. Market 'failure' – nationally the residential children's home 'market' is currently under examination by the Markets and Competition Authority based on concerns about the effectiveness of the market. An initial report has been published which identifies significant issues with the operation of the market currently;
- b. Demand for places currently significantly outstrips supply;
- c. The market is currently provider led
- d. The market is increasingly becoming dominated by similar types of provision, driven by financial considerations and the impact of regulation;
- e. Securing the right provision for the right price;
- f. There are emerging challenges for both public and private sectors around finding sufficiency quality staff to support provision;
- g. Community opposition to new development.

The impact of these issues was that there was still considerable ongoing pressures on Children's Social Care, particularly relating to the costs of children in our care, which was an issue facing the majority of local authorities. Although the number of children in care had stabilised since 2019, it had been necessary to place slightly more children in residential care at additional cost due to the factors listed above and this had lead to greater financial strain on the Council's Medium Term Financial Plan.

As part of the Council's work on sufficiency planning, a number of specific needs had been identified where the market was struggling to meet our

requirements, which included more short term placements needed where the intention was to rebuild family of foster care placements; provision needing to be more intensive therapeutic interventions; provision which could deliver bespoke packages of education on site; and provision with an enhanced offer on emotional wellbeing, trauma informed care and a focus on more personalised care and support.

In order to address some of the issues faced, the Council were currently delivering a number of schemes. Our approved capital programme included a scheme to purchase a 4th home for Spark of Genius, as part of the original business case approved by members in 2013. The specific proposals being explored as part of our revised sufficiency plan, and to address issues set out for Children in our Care were:

a. The Council to create up to 10 new places 'in house', focusing on more provision to support families and manage shorter periods in care. This would include:

- i). A new 3-4 bed provision to work alongside Our Place as our edge of care and short stay provision;
- ii). Remodel Oak View as a short stay facility to work alongside our existing turnaround provision;
- iii). Opening of a new 4 bed home on Bishopton Road for longer stay;
- iv). New intensive support approach – up to 3 smaller provisions managed as one;

b. The Spark of Genius Joint Venture to:

- i). Develop 4th home provision as planned;
- ii). Develop a '5th house' to focus on learning disability / autism. The proposal currently being developed was for provision to meet the needs of children and young people with communication and interaction issues / autism and / or learning difficulties. These type of provision could be delivered through a 3-5 bed type provision and so would form a natural extension of the current business model;
- iii). Develop longer term option for purpose built provision with attached school.

Members were advised that the working assumptions were around £900,000 for the proposed 5th house as part of the Joint Venture and £900,000 to support a new 'in house' 3-4 bed provision and for the intensive support approach.

Future proposals, including those outlined above, would need to be supported by a business case clear about the benefits and financial implications. Work to develop this was underway and would be brought back to Cabinet to support the drawdown of any agreed capital allocation.

Members noted that consideration had also been given to the opportunity to develop further provision for pupils with additional educational needs. There was an equivalent set of market issues in terms of special school placements, with an active private sector market, including the development of new provision in the Borough. Despite this, demand outstripped supply currently.

Extensive market analysis had therefore been undertaken as part of the regional work on placements, demand and costs. A regional sufficiency strategy was being developed to provide the basis for future planning.

The Council had also made recent investment in the development of more early years provision, creation of an extra 32 places at Abbey Hill Academy Trust and the development of an independent special school provision in the old Kiora Hall building, as well as the forthcoming Tees Valley Free School, located in Redcar and Cleveland.

A key immediate strand was to secure the expansion of King Edwin School. This included:

- a. Funding for expansion (on site) to allow an increase of 36 young people in the pupil roll;
- b. Funding for maintenance and upgrade works to enable the school to continue to compete with nearby independent special schools which could have an impact on occupancy in the short to medium term.

The outline business case for expansion was based on the following:

- a. An extension to the current school building to create more places. The plan was to expand the capacity of the school to 120. The school had initially been constructed for 50 pupils, but had been able to accommodate 80 without significant additional investment.
- b. Improving and increasing communal space and a focus on improve pupil experience and circulation in the buildings together with additional building enhancements to enable King Edwin to effectively compete with other local provision.

Such an expansion plan would allow for more children to receive a high quality specialist education within the Borough, whilst the additional income generated was anticipated to cover the borrowing costs. The outline business case anticipated a capital cost of up to £4.2m, funded by prudential borrowing. The outline business case indicated that the savings and income generated would more than offset the borrowing costs over the period of the loan. A final business case was being developed and this would confirm the overall position and it was suggested that this be delegated to the Director of Children's Services &

the Director of Finance, Development & Business Services in consultation with the Leader of the Council.

It was also proposed that additional work be undertaken to seek to expand educational provision further, potentially on a separate site at a new location, again taking into account the needs of children being identified through the SEND sufficiency assessment work. There was also considerable interest in developing a form of provision which was focused on a trauma informed way of working, which could be developed as part of King Edwin or as a separate provision.

Future proposals, including those outlined above, would again need to be supported by a business case which was clear about the benefits and financial implications. Work to develop this was underway and would be brought back to Cabinet to support the drawdown of any agreed capital allocation.

Cabinet noted that in summary, the proposals for borrowing were based on:

- a. £900,000K for additional 'in house' provision;
- b. £900,000 for a specialist autism and learning difficult provision through the Joint Venture;
- c. £4.2m for the expansion of King Edwin School.

RESOLVED that:-

1. Cabinet agree the proposed strategy and note that prudential borrowing of £6m will be recommended for inclusion into the Medium Term Financial Plan, to be considered at the meeting of Council on 23rd February 22;
2. Drawdown of this amount to be subject to further reports to Cabinet on the basis that the cost of borrowing will be fully covered;
3. Cabinet agree that consideration of the final business case and drawdown of the funding for King Edwin expansion be delegated to the Director of Children's Services & the Director of Finance, Development & Business Services in consultation with the Leader of the Council.

3. Reasons for the Decision

To agree the basis of an investment strategy to ensure the Council can continue to meet the care and education needs of children in the

Borough.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight - Friday 25th February 2022

Proper Officer
21 February 2022