

EFFICIENCY IMPROVEMENT AND
TRANSFORMATION PROCESS

CHILD PLACEMENTS AND RESIDENTIAL CARE

VIABILITY PAPER
FOR

INCREASED RESIDENTIAL CAPACITY

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1. Background

Stockton Borough Council has embarked upon an Efficiency, Improvement and Transformation Review (EIT) across Child Placements and Residential Care. As part of that review, the Base Line Report for Residential Placements was presented at CYP Committee on 19th August 2009. That report showed an Increase in the number of children requiring residential placements and a lack of local availability. The Council are purchasing placements from outside agencies at a considerably higher cost in comparison to its own provision in order to meet demand. The report also showed that its Crisis and Task Centred in-house provision was at times used to Look After Children and young people in the medium to long term, due to lack of capacity within its in-house provision and exceeding its statement of purpose.

This is limiting the Council's capacity to work with families to prevent young people entering care. There is an expectation that we consider how we can make services more efficient and cost effective in a climate where the numbers of young people requiring residential care are increasing thus impacting on cost. Options that were presented to CYP Committee clearly showed strengths, weaknesses and opportunities. This report will look more in depth at option 2 which was to increase the Council's 'in-house provision', with details of cost implications and potential savings.

2. Needs Analysis

As detailed in the previous report there has been a significant increase in the number of looked after children and in particular teenagers. Over the last 3 years, there have been up to 12 young people Looked After in external residential provision at any one time. The following tables show the type of Placements and costs and how many young people have been in placement during January of a given year.

Jan 2007		
Type of Placement	No of y. people placed	Av. Cost per year.
Secure Unit	2	£351.000
Residential Home	2	£243.000
Residential School	4	£147.000
Jan 2008		
Type of Placement	No of y. people placed	Av. Cost per year.
Secure Unit	2	£247.000
Residential Home	4	£191.000
Residential School	4	£125.000
Jan 2009		
Type of Placement	No of y. people placed	Av. Cost per year.
Secure Unit	1	£255.000
Residential Home	5	£197.00
Residential School	6	£126.00

There are currently 9 young people placed out of the area and a further 5 young people needing placements. The following table shows cost and type of placements for these young people projected for 9/10.

Type of Placement	No of young people	Average cost per year Per placement
Residential Home	7	£179,000 = £1,253,000
Residential School	7	£136,000 = £952,000
Secure Accommodation	1	£255,000 = £255,000

Of these young people, there are at least 2 who could return with immediate effect if there was provision in Stockton. In addition there are a further 3 young people currently placed in Princess Avenue on a short term basis who require a residential placement and who will need to move out of area as there is no in house capacity. This is likely to be at an average cost of £179,000 per young person. There is also an opportunity to consider returning a further 2 young people currently placed in residential schools if education locally were to provide a bespoke package to meet their needs.

3. Procurement Options

Option 1

Assuming a suitable 4 bedroomed property is available from Council's housing stock, setting up costs will be £21,500. This includes purchasing of all equipment and registration fee. Running costs have been included in the costing of each model.

The costs for each model are based on a 3 bedded home that is staffed to care for more challenging young people. The savings outlined in each model are estimated.

Option 2

A property is available from Council's stock in Redcar Road, Thornaby which was previously the local housing office. The property is 2 three bedroomed semidetached properties which are joined together.

The property does require refurbishment in order it is made fit for purpose. Plans have been drawn to establish its viability, see appendix 1. Capital will be required and a request has been made for a schedule of work with costs for further consideration. This is work in progress and a detailed estimate is not available at present. Assuming capital was available, this building has the added benefit of being able to provide a large education room where packages of education could be delivered for those children and young people who are more difficult to engage. Given a number of residential placements are currently joint funded by Education this would allow us the opportunity for funding to be redirected to provide education on the premises especially for those young people who have been excluded from local provision. Costing for which are reflected in all models but option 2 would allow young people to be supported in-house.

Costs

Setting up costs regardless of the model will be £21,500.

Capital funds will need to be made available for option 2.

There are a number of models that are available for consideration:

Model 1 – Is a 3 bedded home managed by a Team Leader with 2 assistants. This model would be suitable for those young people with less challenging behaviour and waking night cover not provided. This replicates the current model already in Stockton.

Employees

1 x Team Leader – Grade L	39,601
2 x Assistant Leaders – Grade J	68,058
139 RCO Hours – Grade I	111,304
Sleep-ins	14,345
Additional cover – holiday and sickness	62,029
Housekeeper – 20 hours per week	11,448
Additional cover – RCO	798
TOTAL – EMPLOYEES	308,583

Running Costs

Premises – Utilities (estimated)	10,000
Transport Costs – Lease car and running costs	6,500
Supplies and Services – Equipment, Food, Furniture, etc.	30,000
TOTAL – RUNNING COSTS	46,500

Payments to Young People

Holiday	2,000
Birthday/Christmas	600
Weekly Allowance – clothing/pocket money	1,716
Haircut	100
Toiletries	468
Activities	780
TOTAL – ACTIVITIES	5,744

TOTAL – COST	<u>360,827</u>
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Potential Savings

Total Cost	£360,827
Cost of Agency Provision	£494,000
Total Savings	£109,438

Model 2 Is a – 3 bedded home managed by a Team Leader with 2 Assistants. Waking night staff. Teaching Assistant, term time only. This model would be suitable for the more challenging and hard to place young people who would require 24 hour supervision. Costs for teaching assistant could be made via education budget.

Employees

1 x Team Leader – Grade L	39,601
2 x Assistant Leaders – Grade J	68,058
139 RCO Hours – Grade I	111,304
40 hours, Educational Support term time only, teaching assistant	24,735
Waking Nights – 70 hours	57,965
Additional cover – holiday and sickness	62,029
Housekeeper – 20 hours per week	11,448
Additional cover – RCO	798
TOTAL – EMPLOYEES	375,938

Running Costs

Premises – Utilities (estimated)	10,000
Transport Costs – Lease car and running costs	6,500
Supplies and Services – Equipment, Food, Furniture, etc.	30,000
TOTAL – RUNNING COSTS	46,500

Payments to Young People

Holiday	2,000
Birthday/Christmas	600
Weekly Allowance – clothing/pocket money	1,716
Haircut	100
Toiletries	468
Activities	780
TOTAL – ACTIVITIES	5,744

TOTAL – COST	<u>428,182</u>
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Estimated Savings

Total Cost	£428,182
Cost of Agency Provision	£494,000
Total Savings	£65,818

(Cost of teaching assistant could be met via Education budget.)

Model 3 – Includes 2 three bedded homes with 1 Manager overseeing both homes and an Assistant, Team Leader in each, Education support, term time only. This model allows further financial savings given one manager would be supporting both homes and could be a combination of options 1 and 2.

<u>Employees</u>	One Home	Additional Home	Total
1 x Team Leader – Grade L	39,601	39,601	79,902
2 x Assistant Leaders – Grade J	68,058	34,347	102,405
139 RCO Hours – Grade I	111,304	0	111,304
140 RCO Hours – Grade I	0	112,105	112,105
40 hours – Educational Support, term time only	24,735	0	24,735
Teaching Assistant			
Waking Nights – 70 Hours	57,965	0	57,965
Sleep-ins	0	14,345	14,345
Additional Cover – holiday and sickness	62,029	62,029	124,058
Housekeeper – 20 hours per week	11,448	0	11,448
Additional Cover – RCO	798	0	798
Domestic – 20 hours plus cover	0	9,526	9,526
TOTAL – EMPLOYEES	375,938	271,953	647,891
<u>Running Costs</u>			
Premises – Utilities (estimated)	10,000	12,366	22,366
Transport Costs – Lease care and running costs	6,500	6,500	13,000
Supplies and Services – Equipment, Food, Furniture, etc.	30,000	30,000	60,000
TOTAL – RUNNING COSTS	46,500	38,886	95,366
<u>Payments to Young People</u>			
Holiday	2,000	2,000	4,000
Birthday/Christmas	600	600	1,200
Weekly Allowance – Clothing/Pocket Money	1,716	1,716	3,432
Haircut	180	180	360
Toiletries	468	468	936
Activities	780	780	1,560
TOTAL – ACTIVITIES	5,744	5,744	11,488
TOTAL – COST	<u>428,182</u>	<u>326,563</u>	<u>754,745</u>

Savings total cost for both homes £754,745, agency cost £988,000 giving an overall saving of £233,000 or £116,250 per home.

Conclusion

There are currently up to 9 young people who could be placed in residential care locally. On further analysis it would be preferable to have a small settled home as in option 1 with an additional home as per option 3 for the more challenging young people who also require education on site. This would allow further development at Princess Avenue and free up bed space to offer respite and planned interventions. It would also ensure that a bed for emergency admissions was also available reducing the need to spot purchase crisis beds, which are costly and usually charged for a minimum of 28 days.

The current trend shows an increasing use of residential schools which whilst they are most cost effective it must be noted that young people also require weekend and holiday placements. Given the complex and challenging behaviour the young people present this is often difficult and costly to provide.