

Stockton-on-Tees Borough Council

Call-In Request Form

I/We request that the following matter be called in for consideration by the Executive Scrutiny Committee for the reason(s) stated below.

I/We understand that a minimum of six Members of the Council excluding Cabinet Members, or two Education representatives with voting rights in respect of education matters, must submit this request before the call-in procedure is implemented.

Decision making body i.e. Cabinet, Officer, or Joint Arrangement	Cabinet
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Details of decision	Powering our Future – Transformation Review: Children in our Care – Therapeutic Residential Care for Children Experiencing Mental Health Challenges and Behavioural Distress
Ref. number (if any)	
Date of decision	16 th of October 2025

We consider that the decision is not in accordance with the following principle(s) of Paragraph 1.35 of the Constitution for the reason stated -	
Principle(s) (overleaf)	Reason(s)
<ul style="list-style-type: none"> • proportionality (i.e. the action must be proportionate to the desired outcome). • clarity of aims and desired outcomes; and • an explanation of what options have been considered and giving the reasons for decisions • relevant matters have not been ignored • clarity and explanation of information provided 	<p>The report to Cabinet on the 16th of October 2025 sought to,</p> <p>approve inclusion in the Capital Programme of a scheme to deliver two Council-run children's homes (one solo and one dual) providing three places in total, based on current estimated total capital costs of £1.467 million,</p> <p>agree that the Council's match-funding requirement of £733,500 be met from the existing Council Wide Investment Fund approved by Council in February 2025, utilising prudential borrowing already authorised within that approval, with associated borrowing costs to be met from within Children's Services budgets through reduced reliance on external placements; and,</p> <p>authorise the Director of Children's Services, in consultation with the Cabinet Member for Children and Young People, the Director of</p>

	<p>Regeneration and Inclusive Growth, the Chief Financial Officer, and the Director of Corporate Services, to: identify and acquire two suitable properties within the approved budget envelope, procure and let contracts for design, refurbishment, fit-out and equipment; and take all necessary steps to register and operationalise the homes in line with the grant conditions and regulatory requirements.</p> <p>The report also sought Cabinet to note the contents of the report.</p> <p>The report identified three options, the recommended option being to provide one solo home and one dual home, stating,</p> <p>This option is recommended due to its balanced approach to investment, support, and whilst the project is expected to be cost neutral rather than making savings, the impact for our most vulnerable children and their families will be more impactful, particularly in relation to caring for the children within their own communities, close to their support networks and with a comprehensive package of support and the right level of access to a multi-disciplinary team to deal with their ongoing traumas.</p> <p>Providing children with residential services managed and controlled by the Council will offer stability of placement leading to less breakdowns of care. Give those children access to services that they are unable to access when placed outside of the borough, for example health services support, CAMHS and Educational support to improve outcomes.</p> <p>The report also outlined the financial implications, stating,</p> <p>Capital costs submitted as part of the DfE bid were based on the acquisition cost and refurbishment cost of the recent Therapeutic home.</p> <p>These have then been adjusted to reflect inflationary pressures and consideration of</p>
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	<p>specific interventions that are referenced in the grant conditions.</p> <p>The estimated capital cost for 2 homes is £1,467,000. Whilst there is a contingency for risk built into these numbers it should be noted that cost certainty will only be obtained once specific properties are acquired and relevant surveys and investigation works carried out.</p> <p>The DfE grant will fund 50% of the total cost up to a maximum of £733,500. Match funding from the Council of £733,500 will be funded by prudential borrowing from the £20m Council Wide Investment Fund approved by Council as part of the Medium-Term Financial Plan Update and Strategy Report in February 2025, with allocations from that fund delegated to Cabinet.</p> <p>In line with the approval of the £20million, the borrowing costs are anticipated to be funded from the savings delivered by the intervention.</p> <p>The estimated running costs of the two new children's homes, under a cluster model are anticipated to be £1,525,000 per annum.</p> <p>The borrowing will be taken out over 35 years with repayments of £51,000 per annum. These costs are anticipated to be met from the savings generated due to using internal placements rather than high-cost external placements. These figures have been updated following the final options appraisal to reflect the annual pay-award costs and most recent borrowing rates.</p> <p>Unregulated placement costs are extremely volatile and have reached over £18,000 per week in previous years. The 10 most expensive placements in March 2024 averaged £9,800 per week.</p> <p>In June 2025, 10 placements were over £10,000 per week and now average £12,500 per week.</p> <p>While the homes are not expected to generate significant financial savings, the proposal will</p>
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	<p>provide some certainty on cost for these placements provided by the Council.</p> <p>As well as providing additional capacity for the most complex children in our care, the investment is justified by the anticipated improvement in outcomes for children. Local placements reduce disruption for children and support long-term stability.</p> <p>The Council will retain ownership of the buildings and need to them operate as fully compliant, Ofsted-registered home for five years.</p> <p>Revenue costs – There is a risk that the costs of running the homes may not generate savings or this model could potentially be more expensive than current arrangements. Mitigation: While the homes may not generate direct savings, they are expected to deliver better outcomes for children by enabling placements within Stockton-on-Tees. This supports continuity in family, social, and educational networks, leading to improved life chances and reduced reliance on public services over time, potentially avoiding future costs. The operating costs and staffing model will be reviewed regularly and all endeavours taken to ensure the homes are operated as efficiently as possible.</p> <p>The report raises several questions regarding the financial analysis conducted to inform the Cabinet. Further, why Cabinet did not raise questions regarding the conflicting statements in the report, finally, why are children from this Borough continuing to be cared for in unregulated, unlawful and unsafe accommodation.</p> <p>The report clearly outlines that match funding of £733,500 has been provided by the DfE, however, the report goes on to state that SBC's funding will be by way of borrowing over 35 years at £51k per annum. This equates to £1.785 million. Clarity is sought regarding the details of this funding and whether paying interest of over £1m is in the best interests of the local taxpayer.</p>
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	<p>The report states that these costs are anticipated to be met from the savings generated due to using internal placements rather than high-cost external placements.</p> <p>However, the report also contains the following statements,</p> <p>This option is recommended due to its balanced approach to investment, support, and whilst the project is expected to be cost neutral rather than making savings,</p> <p>While the homes are not expected to generate significant financial savings, the proposal will provide some certainty on cost for these placements provided by the Council,</p> <p>There is a risk that the costs of running the homes may not generate savings or this model could potentially be more expensive than current arrangements. Mitigation: While the homes may not generate direct savings, they are expected to deliver better outcomes for children by enabling placements within Stockton-on-Tees.</p> <p>The clarity of information is best described as confusing and the desired outcomes regarding the financial projections/savings are opaque and conflicting. Clarification is sought on what is the position of the financial aspects of the proposal.</p> <p>The report briefly mentions that the capital costs submitted as part of the DfE bid were based on the acquisition cost and refurbishment cost of the recent Therapeutic home.</p> <p>A press release following the cabinet meeting included the following statement(s)</p> <p>"These homes are intentionally small, designed to accommodate one child living alone or two children living together. This model recognises best practice and trauma-informed care, recognising children who have experienced significant distress and trauma often need quieter</p>
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and more personalised homes to feel safe, build trust and begin to heal.

Two children's homes in Stockton is a small-scale solution to a 'broken system', leaders told - Teesside Live

The average price of a home in the Borough of Stockton on Tees is £170k.

House Prices in Stockton-On-Tees

Clarity is sought as to how two 'intentionally small homes' providing more personalised homes to feel safe, build trust and begin to heal, and kitted out will cost £1.5m. Information is sought as to what cheaper options that provide the same care, or better, were considered.

Finally, and most alarmingly members have been informed by this report that SBC are placing children in unregulated, unlawful and unsafe environments, writing,

The proposal aims to build sufficiency within the mainstream residential estate to avoid having to place children in external private provider care, **which is often unregulated** and costly, providing limited value for money...

.... This report is an important part of our approach to reducing inequality by prioritising support to enable more children to live **within safe** and inclusive communities....

... placements will reduce reliance on high cost **unregistered external providers** that, in the main, provide limited improvement in outcomes and can result in numerous moves increasing instability...



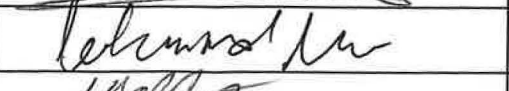

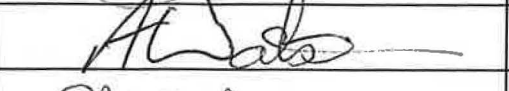
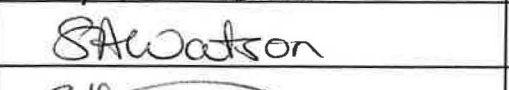

.... Increasing placement stability through the provision of high-quality services will **provide safety and stability** to support the transition to adulthood....

.... Investing in the provision and availability of mainstream residential placements **will reduce**

	<p>reliance on high cost unregistered external providers that, in the main, provide limited improvement in outcomes and can result in numerous moves increasing instability....</p> <p>.... The current average cost is £11,300, with the highest being £16,000 per week. Most of these placements are unregulated....</p> <p>.... Unregulated residential provision is unlawful and requires additional risk management if a child is placed in this type of care. This practice has brought scrutiny from Ofsted, the Department for Education and the Children's Commissioner, highlighting the urgent need for more regulated residential options for children with complex needs....</p> <p>.... Unregulated placement costs are extremely volatile and have reached over £18,000 per week in previous years. The 10 most expensive placements in March 2024 averaged £9,800 per week. In June 2025, 10 placements were over £10,000 per week and now average £12,500 per week.</p> <p>Information is urgently sought why the cabinet, knowing children are being sent to unregulated, unlawful and unsafe homes are silent on how to address these matters.</p> <p>Further, and to the crippling injustice, why the Cabinet are concentrating on only the care of three children, describing 'the investment as justified by the anticipated improvement in outcomes for children' whilst other children are not receiving the same attention/focus. This approach appears to be disproportionate and discriminatory. These children are relevant, and it seems they are being ignored.</p>

We request that the following Cabinet Member(s)/Officer(s) to be required to attend the Executive Scrutiny Committee

Cllr Lisa Evans, Cllr Claire Besford, Director Majella McCarthy

Signed	Print Name
	TONY LOOMAN
	NIALL INNES
	MOHAMMED MAROOF
	HUGO STRATTON
	ALAN WATSON
	SALLY ANN WATSON
	SHAKEEL HUSSAIN

This form must be submitted to the Proper Officer (via Democratic Services) within four working days of the publication of the decision i.e. by 12 midnight on the fourth day.

Multiple forms (including faxed and e-mailed versions) may be submitted in respect of the same decision. If the form is e-mailed it must be subscribed to by one person only.

This form may be returned as follows:

By hand to any Democratic Services Officer

Email – 'DL Democratic Services'

Office use only	
Date received:	Initials:
Valid: Yes/No	
Reasons for invalidity:	
Reasons notified	
Executive Scrutiny Committee date:	

Extract from Constitution – Paragraph 1.35

Decisions of the Council will usually be made in accordance with the following principles:

- proportionality (i.e. the action must be proportionate to the desired outcome).
- due consultation and the taking of professional advice from Officers.
- respect for human rights and equality of opportunity.
- a presumption in favour of openness.
- clarity of aims and desired outcomes; and
- an explanation of what options have been considered and giving the reasons for decisions
- relevant matters have not been ignored

- clarity and explanation of information provided

Please also see the guidance contained with the Scrutiny Toolkit, and Constitution.