

AGENDA ITEM
REPORT TO EXECUTIVE
SCRUTINY COMMITTEE
18 November 2025
REPORT OF THE
MONITORING OFFICER

CALL-IN VALIDITY REPORT

**CHILDREN IN OUR CARE – THERAPEUTIC RESIDENTIAL CARE FOR CHILDREN
EXPERIENCING MENTAL HEALTH CHALLENGES AND BEHAVIOURAL DISTRESS**

SUMMARY

This report provides the Monitoring Officer's assessment of the validity of a call-in request relating to the Cabinet's decision on the Children in Our Care – Therapeutic Residential Care for Children Experiencing Mental Health Challenges and Behavioural Distress. The report identifies the decision-making principles where the call-in requesting Members have demonstrated that further scrutiny is justified and clarifies the lawful scope of the scrutiny process.

RECOMMENDATIONS

That the Executive Scrutiny Committee note the validation of the Call-In and proceed to consider the call-in request on the validated grounds identified in this report.

BACKGROUND

1. This report provides an assessment of the validity of a call-in request submitted in relation to the Cabinet's 16 October 2025 decision titled "Therapeutic Residential Care For Children Experiencing Mental Health Challenges And Behavioural Distress" The assessment is conducted in accordance with the Local Government Act 2000, the Council's Constitution, and the established principles of decision-making.
2. The purpose of this report is to determine whether the call-in request meets the constitutional requirements for validity and whether it can proceed to the Executive Scrutiny Committee.
3. The assessment focuses solely on whether the issues raised by Members (if supported by evidence) could reasonably indicate that one or more of the Council's Decision-Making Principles (Constitution paragraph 1.35) may not have been fully demonstrated at the point Cabinet made its decision.

4. For the avoidance of doubt the validation does not assess the merits of the policy, or whether the validated concerns raised by members are ultimately justified, these are matters for the Executive Scrutiny Committee.

THE CALL-IN PROCESS

Legislative and Constitutional Framework

5. Call-in is a statutory safeguard within the Council's governance framework, allowing Scrutiny to review Executive decisions prior to implementation.
6. Section 9F of the Local Government Act 2000 provides that councils must have a process allowing for executive decisions that have been made but not yet implemented to be "called in" for further scrutiny.
7. Call-in is however an exceptional power, intended as a safeguard against potential failures in the decision-making process. It does not exist to challenge the merits of a decision or to revisit prior operational decisions made by officers.
8. Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, only executive decisions can be called in. Decisions made by regulatory bodies (such as Planning or Licensing Committees) or non-executive panels cannot be subject to call-in.

Threshold for a Valid Call-In

9. A call-in request is valid if it:
 - a. Is supported by at least six councillors who are not Cabinet members.
 - b. Suggests a failure to comply with one or more of the Council's Decision-Making Principles.
 - c. Relates to a decision that has been made but not yet implemented.
10. A call-in request is invalid if it:
 - a. Does not allege a specific failure in the decision-making process.
 - b. Seeks to challenge operational or financial management decisions rather than the decision itself.
 - c. Is being used simply to request additional explanations or information rather than demonstrating a procedural failing.

Decision-Making Principles (Constitution Paragraph 1.35)

11. Specifically for a call-in to be valid, it must allege a failure to adhere to one or more of the following principles:
 - a. proportionality (i.e. the action must be proportionate to the desired outcome);

- b. due consultation and the taking of professional advice from Officers;
- c. respect for human rights and equality of opportunity;
- d. a presumption in favour of openness;
- e. clarity of aims and desired outcomes;
- f. an explanation of what options have been considered and giving the reasons for decisions;
- g. relevant matters have not been ignored; and
- h. clarity and explanation of information provided

THE DECISION UNDER CHALLENGE

12. The challenged decision was taken by Cabinet on 16 October 2025. The Cabinet resolution states:

RESOLVED that:-

1. Inclusion in the Capital Programme be approved 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.

2. 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.

3. The Director of Children's Services, in consultation with the Cabinet Member for Children and Young People, the Director of Regeneration and Inclusive Growth, the Chief Financial Officer, and the Director of Corporate Services be authorised to:

- a. identify and acquire two suitable properties within the approved budget envelope;*
- b. procure and let contracts for design, refurbishment, fit-out and equipment; and*
- c. take all necessary steps to register and operationalise the homes in line with the grant conditions and regulatory requirements.*

SUMMARY OF GROUNDS RAISED IN THE CALL-IN REQUEST

13. The call-in request in summary raises the following issues:

- a. That the Cabinet report presented inconsistent or unclear information regarding the financial implications of the scheme, describing it as both cost-neutral and not expected to deliver savings
- b. That the affordability and value-for-money rationale was insufficiently substantiated, particularly given long-term borrowing costs;
- c. That reference to unregulated and unregistered placements was not adequately explained or addressed; and
- d. That the overall business case and options analysis required further clarity to demonstrate proportionality and transparency.

ASSESSMENT AGAINST EACH PRINCIPLE

Proportionality

14. The proposal responded to well-evidenced pressures in children's placements, particularly costs and instability in external provision. The scale, two three-bed homes is arguably proportionate to the identified cohort, however the cost of such provision is undeniably significant and a legitimate area for further scrutiny.

Assessment: Principle partially satisfied; validity partially supported.

Due Consultation and Professional Advice

15. Internal consultation was extensive across Children's Services, Finance, Legal and Regeneration. No statutory requirement existed for public consultation at this stage and no legitimate expectation of consultation arises in connection with a property purchase transaction. Change of use and other planning approvals which might require future consultation do not form part of the decision.

Assessment: Principle satisfied; does not support validity.

Respect for Human Rights and Equality of Opportunity

16. The proposal is designed to improve the lived experience of vulnerable children. No concern arises on equality or rights.

Assessment: Decision making principle satisfactorily demonstrated, does not support validity.

Presumption in Favour of Openness

17. The decision was taken in public session and the papers published in full. No part of the meeting was considered exempt session.

Assessment: Decision making principle satisfied, does not support validity.

Clarity of Aims and Desired Outcomes

18. The aims of greater stability, reduced reliance on external providers, improved outcomes were explicitly set out.

Assessment: Decision making principle satisfied, does not support validity.

Explanation of Options and Reasons

19. The report described the scheme as cost-neutral while acknowledging that it might not yield savings and could incur higher costs. This apparent internal inconsistency is sufficient to justify scrutiny of how Cabinet assessed the financial case and the assumptions underlying cost projections.

Assessment: Supports validity.

Relevant Matters Not Ignored

20. References within the Cabinet report to “unregistered” or “unregulated” placements provided contextual background to the challenges of residential placement sufficiency nationally and locally. However, the Cabinet decision itself did not relate to the commissioning, procurement or authorisation of any such placements. Its purpose was to approve capital investment in two new Council-run, Ofsted-registered children’s homes designed to reduce future reliance on unregistered provision.
21. Whilst Members of the Council, including those on the Executive Scrutiny Committee, may legitimately have wider concerns about the authority’s use or oversight of unregistered or unregulated placements, those matters would need to be considered separately and given the inherent confidentiality of individual circumstances potentially within an exempt (or confidential) session, or through scrutiny by the appropriate Select Committee under the normal scrutiny framework.
22. The call-in process may only examine the decision actually taken by Cabinet, not the broader context, policy issues or operational practice surrounding children’s placements. The references to unregistered or unregulated placements in the Cabinet report did not form part of the decision under challenge and therefore fall outside the lawful scope of this call-in.

Assessment: Decision making principle satisfied in respect of the specific decision being taken by cabinet; does not support validity.

Clarity and Explanation of Information Provided

23. The report contained a complete funding model, £1.467 million capital, 50 per cent DfE grant, 50 per cent Council borrowing, with annual borrowing costs of £51 000 for 35 years, but offered limited reconciliation between the cost-neutral description and

the stated risk of higher costs. Members could reasonably question whether this represented sufficient clarity to support the decision.

Assessment: Principle not fully demonstrated; supports validity.

OVERALL VALIDITY DETERMINATION

24. The call-in establishes valid grounds for further scrutiny under the following Decision-Making Principles:

- Proportionality
- Explanation of options and reasons; and
- Clarity and explanation of information provided.

25. All other decision-making principles appear satisfactorily demonstrated without particular evidence of a departure being set out. As such the Call-In is valid on the grounds set out.

26. The call-in therefore proceeds on the limited grounds identified above.

ATTENDANCE

27. The Committee determines attendance at the call-in meeting. In practice, officers will take direction from the Chair, who will advise which Cabinet Members, Directors and officers should attend to provide evidence relevant to the issues under scrutiny.

28. The call-in requestors have asked that the Leader of the Council attend, The Cabinet Member for Children and Young People and Director of Children's Services attend. While only the Committee itself can compel attendance, officers will work with the Chair to identify in advance which contributors are likely to be required. This will assist in ensuring that the relevant evidence is available at the meeting and that, as far as possible, all necessary matters can be addressed within a single session.

SUPPORTING GUIDANCE

29. The Monitoring Officer has assessed the validity of the call-in request in line with the procedure set out in the SBC Scrutiny Toolkit and has had regard to the available Statutory and LGA guidance on call-ins and to the legislation. I have considered commentary in Knowles on Local Authority Meetings, A Manual of Law and Practice (Eighth edition). In addition, advice from the Councils Statutory Scrutiny Officer and the Councils Head of Legal Services.

BACKGROUND DOCUMENTS

- Cabinet Report – 16 October 2025
- Cabinet Decision Notice
- Call-In Request

- Children's Services Placement Sufficiency Strategy

CONTACT OFFICER

Name of Contact Officer: Ged Morton

Post Title: Director of Corporate Services (Monitoring Officer

Telephone number: 01642 527701

Email Address: ged.morton@stockton.gov.uk