

ANGUS COUNCIL

POLICY AND RESOURCES – 6 DECEMBER 2022

CHILDREN'S RESIDENTIAL SERVICES

**REPORT BY KATHRYN LINDSAY DIRECTOR OF CHILDREN, FAMILIES AND JUSTICE AND
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ABSTRACT

Angus Council remains committed to its role as a corporate parent. Through ongoing performance monitoring and budget monitoring the Council has identified pressure on the capacity of resources available to support children who are looked after and accommodated. There are not enough in-house placements available to provide care for all Angus children who require residential care placements. This report sets out proposals for investment in the Angus Council children's residential estate, to ensure that, where appropriate, children and young people can be cared for in Angus and reducing Council reliance on out of area care placements. This will help deliver improved outcomes for Angus children and young people and meet the Council's statutory duties.

1. RECOMMENDATION

It is recommended that the Policy and Resources Committee:

- (i) Note and approve the Business Case for investment in the Angus Council children's residential estate and agree the strategic direction (appendix 1).
- (ii) Approve the proposed expansion of the Angus Council children's residential estate by 8 beds across two properties as outlined in Section 5.
- (iii) Require the Director of Children, Families and Justice to submit detailed budget bid proposals as part of the budget setting process for 2023/24.
- (iv) Require that the Director of Vibrant Communities and Sustainable Growth commence arrangements to secure and deliver the necessary properties, on the presumption that the required resources are agreed through the 2023/24 HRA and General Fund Revenue budgets.

2. ALIGNMENT TO THE COUNCIL PLAN

This report contributes to outcomes across a range of strategic plans:

Council Plan priorities:

We want to maximise inclusion and reduce inequalities

We want our communities to be strong, resilient and led by citizens

Tayside Plan for Children, Young People and Families:

Priority 4 – Care Experienced Children and Young People

Angus Promise Plan (Corporate Parenting Strategy):

Keeping children and young people 'within their local communities where that meets their needs'

3. BACKGROUND

- 3.1 As the independent review of the care system [The Promise](#) acknowledged, there will always be some children who cannot stay with their families. The role of making appropriate

arrangements for the alternative care needed by children and young people in these circumstances is a statutory duty of the local authority. It is therefore necessary as part of the Council's social work service, to maintain or procure a suitable range of resources to meet these needs. Arrangements in place are a mix of alternative family-based provision, including support for kinship care placements, fostering and adoptive placements, and residential based provision at our children's houses. Where we are unable to meet needs within a child's own family (kinship) or through our internally delivered resources (fostering/adoption or residential) then we must make arrangements for provision through an alternative provider.

- 3.2 As a mark of the local authority's commitment to improving outcomes for care experienced children and young people, the Council has continued to invest in the support available for kinship carers, foster carers and adoptive parents, as well as ongoing recruitment activity. Improvement to the children's residential estate has included the development of our current residential provision at Bramble Cottages (Rowan and Logan) and the subsequent decommissioning of Kinnaird Street, Arbroath, as reported to Community Services Committee over 2012 and 2013.
- 3.3 The Bramble Cottages development extended the children's residential estate capacity from 6 places to "up to 9 places", including the use of an annex to one of the houses which has the potential to offer semi-independent living and support for one young person. The capacity available has not been sufficient to meet increased demand for placements to support Angus children. This has resulted in a sustained increase in the use of external residential resources to meet their needs and discharge the local authority's statutory duties.
- 3.4 At the Policy & Resources Committee of 25 October 2022, a significant shortfall in the Children, Families & Justice adjusted revenue budget 2022/23 of £3.186 million (15.2%) was highlighted (Report [342/22](#) refers). The main reason identified for this deficit projection being a significant increase in the demand for, and cost of, residential placements for looked after children.
- 3.5 Some context was provided in the Angus Council Chief Social Work Officer Annual Report 21/22, considered at Scrutiny & Audit Committee on 27 October 2022 and approved by Angus Council on 3 November 2022 (Report [359/22](#) refers). The draft annual report identified "a sharp increase in the requirement for children and young people to be cared for away from home" and noted that existing internal residential and fostering placement capacity were not enough to meet the needs of children locally.

4. CURRENT POSITION

- 4.1 Children and young people requiring alternative care often have multiple disadvantages. These can include trauma and associated behavioural issues, attachment difficulties, poor mental health, experience of poverty and conflict with the law. In every case the children and young people require support to access the curriculum most effectively. Officers in the Children, Families and Justice Directorate have observed, through the pattern of referrals received, that something has impacted negatively on the wellbeing of children over recent years. It is considered that the pandemic and the impact of various restrictions are likely to have increased the vulnerability of some children. It is widely reported that there has been increased prevalence and impact of domestic abuse during the pandemic.
- 4.2 Services are now beginning to see the wider impact of the pandemic, and other factors, across the health and social care system with many families experiencing stress and pressure and young people exhibiting anxiety and associated mood disorders. Thus, the needs of children requiring accommodation who have been placed in external residential care are complex and multi-faceted. Officers noted a significant increase this year in the number of young people referred to social work for support with complex trauma, mental health conditions and suicidal ideation. Whilst each young person is unique, there is a complex interplay between trauma, neuro-developmental conditions, risk taking behaviour and mental health diagnosis.
- 4.3 Historically, Angus has had a small (albeit fluctuating) number of children placed in external residential settings, usually fewer than 10 at any given time. By January 2022 the number of children in external residential placements had grown to 19. Analysis shows that 58 percent of these children could have been successfully placed in our internal resources if we had availability. The remaining 42 percent required specialist provision, including 32 percent who required an educational resource. By June 2022, the number of children in external residential

settings had increased from 19 to 26, with a further child placed in secure accommodation. There were also 22 children in external foster placements due in large part to constraints on our internal fostering capacity where we were supporting 73 children.

Table 1 which follows, shows the growth in the number of new placements in external residential placements since 2015. Historically there has been a broad position of turn over with children leaving placements around the time another moves in. An increase in demand for new placements has resulted in growth overall in the external residential population:

Table 1 – External Residential Placements	
Year	Number of new placements made
2015	<1
2016	<1
2017	<1
2018	2
2019	2
2020	2
2021	7
Jan – October 2022	15

4.4 Current demand for residential placements is 200 percent more than current in-house capacity (i.e. 26 current external residential placements against the 9 internal places available). We anticipate that this increased level of demand and pressure on available capacity locally and nationally will continue, and may increase further, due to a range of factors:

- impact of social economic context on local need as detailed in 4.1 and 4.2
- continued growth of additional routes for referral including unaccompanied asylum-seeking children (through the National Transfer Scheme), and arrangements to support unaccompanied minors from Ukraine (Report [303/21](#))
- continued implementation, and growing uptake of continuing care entitlements for care leavers ([Report 85/22](#))

4.5 Separately, the cost of externally commissioned placements is also subject to significant inflationary cost increases, as a result of changes to the regulatory environment and the wider economic context.

4.6 As the provision of accommodation is a statutory duty, without a corresponding increase in the internal resource available, we will continue to see higher than desirable use of externally commissioned fostering placements and residential placements. This means that children will be placed in residential provision delivered by other organisations and often out of Angus, distant from connections with their friends, family, school, and local communities to get the care they need. It has been evidenced that keeping children and young people in their local communities, closer to friends and family relationships is beneficial for their development. It is also crucial that disruption to schooling is minimised to help provide the context for improved outcomes, including attainment.

4.7 Expansion of our internal residential children's estate would support more children and young people to stay in Angus, within their local communities, in their schools, and maintaining their key local relationships. This will help drive better outcomes for Angus care experienced children and young people and deliver on the Council's Corporate Parenting and The Promise responsibilities.

5. PROPOSALS

5.1 A business case has been developed to explore the viability of expanding the council's internal children's residential estate in Angus (appendix 1). The business case sets out a range of benefits of growing our internal capacity to meet children's needs locally. These include outcome benefits for children and young people, their families and communities alongside financial and resilience benefits for the local authority.

- 5.2 Angus Council has a strong reputation for the delivery of good quality children's residential services and a dedicated and skilled workforce and leadership team keen to deliver for the children of Angus. Our record of improving and delivering services is evidenced through inspection grades across our children's residential and short breaks provision awarded by the Care Inspectorate. Any new children's house will become part of Angus Council's children's residential services and managed through existing organisational structures. The Children, Families and Justice Directorate has the necessary skills and experience to effectively deliver a high quality and safe children's house as an addition to the existing Bramble Cottages children's houses, Logan and Rowan.
- 5.3 Given our capacity to deliver and the scale of the current financial expenditure on externally commissioned residential placements, it is proposed that the Policy and Resources Committee support the proposal within the business case and endorse a strategy to expand the Angus Council children's residential estate on the assumption that the required capital and revenue resources can be made available.
- 5.4 The recommended scale of expansion is for a further 8 beds across two separate properties. It is recommended that a staged approach is taken towards the establishment of two additional children's houses, the first of which we would plan to open in Summer 2024.
- 5.5 Subject to approval, the Housing Service will undertake a review of potential properties within Angus and submit capital funding plans. The mechanism for achieving any agreed expansion is for a suitable property to be purchased through the Housing Revenue Account and adapted for the purposes of delivering a registered children's residential house. The operational delivery of the residential provision itself would be provided through the Children, Families and Justice Directorate. A specific revenue budget bid to support the staffing model and operational costs would therefore form part of the budget setting process and is indicatively set out in the business case.
- 5.6 The Directorate's residential management team will lead on the project's development, implementation, and delivery alongside Housing service colleagues. This delivery team has the experience to mitigate risks experienced through the development and establishment of Bramble Cottages.
- 5.7 This will enable the Council to achieve best value by ensuring more children and young people remain in Angus whilst accommodated, whilst also reducing future cost pressures.

6. FINANCIAL IMPLICATIONS

- 6.1 As noted at 3.4 above, current expenditure on externally commissioned residential provision is exceeding the available budget to a significant extent. Projections indicate that expenditure against this budget is likely to continue to be volatile and subject to variation due to factors which cannot be accounted for within local control measures. Investment in our children's residential provision will reduce cost pressures on individual out of area placements and is thus a cost avoidance measure. The indicative financial cost avoidance the Council will obtain from any new 4-bed children's house is circa £213,400 per annum. This figure is based on the most up to date financial information available.
- 6.2 The Project will require circa £798,300 revenue per annum from 2023/24 per house and circa £750,000 capital investment per property purchased. Capital funding will be provided through the Housing Revenue Account (HRA) Capital Programme. The Council Housing service will source, purchase and renovate the new children's house. The requirement is for a minimum of 6 bedrooms to accommodate four children, staff sleepovers and office space. The Children, Families and Justice Directorate will rent the property from the Housing Revenue Account at a rate that covers the HRA revenue costs (both supervision and maintenance), whilst the Housing Revenue Account will own the asset.
- 6.3 In line with the benchmarks used to determine value of a proposal for the HRA, this business case is confirmed as providing a reasonable return on capital investment over 60 years. This is the period over which new build HRA assets are expected to be utilised for and is used in a wider business planning sense of the expected lifespan of buildings. However, analysis of this proposal indicates that this expenditure is likely to provide a reasonable return over just 30 years and in line with core HRA business planning timescale. This is due to the scale of the

proposals, an assumption that the value of the asset will appreciate over time and that initial outgoings required will be recouped from rental to balance out borrowing.

- 6.4 Additional children's house provision supports delivery of Angus Council's Plan to ensure the right services are available in the right places for local people. Greater internal capacity supports the delivery of best value and where possible drives local Angus economic, social and community benefits in the short, medium and long-term.

7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has been carried out and is attached.

8. CONSULTATION

- 8.1 All Directors have been consulted in the preparation of this report.
- 8.2 Subject to approval for the proposals, care experienced children and young people will be invited to participate in the project development of the new children's house during 2023/24. This will include a series of events to capture their views so that any new home meets their needs, and young people contribute to detailed accommodation specifications.
- 8.3 Subject to approval, there will be engagement with relevant local communities to support successful delivery.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 – Business Case, Children's Residential Estate