

Establishment of Staffing & Other Running Costs for Residential Children's Home for Children with Additional Needs

Date: June 2024

Report of: Head of Service, Corporate Parenting

Report to: Director of Children & Families

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report notes that the Council have purchased a children's home for children with additional needs.

The home will create new capacity within the Children's Residential Service.

This report recommends the approval of revenue expenditure necessary for the operation of a new children's residential home; and to establish and recruit to necessary associated staffing structures.

Recommendations

The Director of Children & Families is recommended to:

- a) Approve the overall business case as described in this report.
- b) Approve the revenue expenditure necessary for the operation of a new residential children's home.
- c) Approve the establishment and recruitment of new posts, as detailed below and in Appendix 1, to support a new residential children's home for children with additional needs.

What is this report about?

1. The report notes that LCC has undertaken the purchase of the property that will provide a facility for the care of children with mixture of the following needs:
 - a) Learning Difficulties.
 - b) Moderate to significant conditions associated with the autistic spectrum.
 - c) Emotional wellbeing needs.
2. The purchase of the new home gives the Children's Residential service a range of children's homes for children with complex needs, complementing our home Acorn Lodge, our new home Field Terrace and our existing short breaks provision.
3. The additional and complex needs of the children and impact of this further expansion in the residential service necessitates the employment of 2 further Social Workers in the Therapeutic Social Work team.
4. The staffing structure of the home reflects the experience of running Acorn Lodge and Rainbow House and learning from the staffing levels there. The other posts listed in the recommendations section will be based at the home.

What impact will this proposal have?

5. The proposal will reduce the number of placements purchased in the private sector by Leeds City Council, improving the Council's financial position and outcomes for children.
6. We currently source 8 external residential beds for children with this range of needs. These range in cost from £5,000 to £15,000 per week. Care for older teenage children with this range of needs is significantly expensive and very hard to source. An analysis of current provision indicates children living in the West Midlands, South Wales and East Yorkshire as well as some children closer to Leeds, though not in Leeds.
7. The location of the home in south Leeds means that the council could be confident that, were there to be insufficient demand for these beds from Leeds children, we would be able to sell capacity to nearby local authorities in Wakefield, Kirklees, Bradford and Calderdale all of whom have sufficiency challenges in this area.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

8. The proposal is associated with better outcomes for vulnerable children through the direct provision of care by the council in Leeds. Our residential service recruits a number of posts locally, offering local residents well paid employment with scope for significant progression.
9. The building is modern, well-constructed and energy efficient and by providing care in Leeds we will reduce the distance travelled by social workers, family and colleagues.

What consultation and engagement has taken place?

Wards affected: Morley South

Have ward members been consulted? Yes No

10. The Executive Member for Children’s Social Care and Health Partnerships has been consulted and is supportive with the proposals contained in this report.
11. In line with practice for our other residential home purchases, Ward Members were contacted and offered a briefing on acceptance of our offer. The Head of Service for Corporate Parenting and the Lead Member completed a Ward briefing on the 07/12/2023. They were supportive of the proposal.
12. Trade Union colleagues were given a ‘heads-up’ brief at the fortnightly residential/TU meeting on 24/11/2023 about the intention to expand the residential service.
13. The proposals were discussed at a meeting with the Trade Unions in December 2023. They were supportive of the proposal.

What are the resource implications?

14. The capital costs for the home are assessed as £1.447m, and advice taken from finance and colleagues have been able to demonstrate a positive return in investment.
15. The revenue costs, including capital repayment, are assessed in the table below. This shows the change in the budget each year in comparison to the previous year.

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£000s	£000s	£000s	£000s	£000s	
Costs						
Financing	97	0	0	0	0	97
Staffing	823	356	41	43	44	1,307
Running costs	82	38	2	2	2	126
Total Costs	1,003	393	43	44	46	1,530
Savings						
External placements	-1,529	-1,186	-49	-39	-48	-2,850
Total Savings	-1,529	-1,186	-49	-39	-48	-2,010
Net Savings	-526	-793	-5	6	-1	-1,320

Post	Service Area	Grade	FTE
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Service Delivery Manager	Residential Children's Service	Dir 45%	1
Registered Manager	Residential Children's Service	PO6	1
Deputy Registered Manager	Residential Children's Service	PO1	1
Senior Practitioner	Residential Children's Service	SO1	3
Residential Practitioner	Residential Children's Service	C1	13
Residential Practitioner - Nights	Residential Children's Service	C1	4
Cook	Residential Children's Service	B1	1
Social Worker/ Senior Social Worker	Therapeutic Social Work Service	PO1/3	2
Cleaner	For Facilities Management to establish - recharged to the Bridge Street budget	A1	1
Total staffing			27 FTE

16. The revenue costings provided include a number of assumptions:

- Staff pay awards are budgeted at 3.5% PA.
- All posts are budgeted top of scale point.
- Inflation on running costs and on placement savings has been included in line with predicted CPI.

17. Currently the costings in this report assume that the residential practitioner will remain on a C1 grade, however it is currently being reviewed as to whether these can be converted to career grade posts progressing to SO1 senior residential practitioner posts to support the development of the workforce within the homes. This conversion will follow the usual approval route including consultation with HR and trade unions, however, should this be implemented this would create an additional staffing cost of circa £100k in 2026/27 if all the 13 residential practitioners were to progress after 2 years.

18. The intention is for the young people being moved to Bridge Street to be those with some additional/complex needs, so it is likely the external placements the young people are moving from would be significantly more expensive than the average placement cost of £6,770 per week. The savings table above is based on the external residential placements that moved into Bridge Street being an average of £12,000 per placement per week and having an 80% occupancy of the property (four placements). This would deliver a saving of approximately £1.3m per year once fully operational. If fully occupied (five placements) the net saving would increase to £2.0m.

19. Savings associated with Bridge Street are based on the service being operational from September. However, the current expectation from the service is for it to be operational in November, and therefore, the savings that will be achieved in 24/25 will have reduced accordingly. However, this will be partially offset by delays to recruitment.

20. Although we expect to place children and young people with more complex needs due to the increase in demand in this area, if the occupants had lower needs the plans would still be financially viable. Savings would decrease, as the cost being avoided would be an average of £6,770 per placement per week rather than £12,000. Based on the proposed staffing structure, the proposal would still deliver savings of £480k per year at 100% occupancy and would make a small saving of £78k at 80% occupancy. However, savings would likely be higher as we would expect staffing costs to reduce for placements with less complex needs.

21. This proposal includes creating 27 FTEs at a total of £1.139m (based on 24/25 budgeted salary rates at the top of scale). These roles already exist within Children & Families and Facilities Management. Existing job descriptions that have been through job evaluation already will be used for these roles.

22. The additional Service Delivery Manager (SDM) capacity will be key in the expansion plans of the service. The role will provide leadership capacity and support for the new provision noted in this DDR and cover the new Kirkstall Flats provision (43 beds) scheduled to come online within 2024-2025 financial year. See appendix 1 for further details on the staffing structure.

What are the key risks and how are they being managed?

23. The principal risk lies in recruiting sufficient staff and then in managing the home to a high standard. The service has become much more effective at recruitment and is confident it could recruit practitioners and managers. The service has a track record of providing high quality complex need care and there is no reason to suggest this home would be any different.

Failure to create these additional posts may impact on statutory duties, OFSTED requirements and income generated by or costs of alternative looked after placements, as quality of support to looked after children and families.

What are the legal implications?

24. None.

Options, timescales and measuring success

What other options were considered?

25. None.

How will success be measured?

26. Through occupancy rates and through Ofsted judgement.

What is the timetable and who will be responsible for implementation?

27. Head of Service Corporate Parenting will be responsible for the proposals contained within this report and recruitment to the new additional roles to commence immediately after the implementation.

Appendices

- Appendix 1 – Structure Chart
- Appendix 2 - EDCI

Background papers

None