

<b>Cabinet</b>  14 December 2022	 <b>TOWER HAMLETS</b>
<b>Report of:</b> James Thomas Corporate Director of Children & Culture	<b>Classification:</b> Unrestricted
<b>Secure Children's Home for London and Pan-London Commissioning Vehicle</b>	

<b>Lead Member</b>	<b>Councillor Maium Talukdar, Cabinet Member for Education, Youth and Lifelong Learning</b>
<b>Originating Officer(s)</b>	Nji Oranu, Head of Service: Resources and Regulated Services  Karen Sanderson: Senior Commissioning Manager Integrated Commissioning
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Reason for Key Decision</b>	Impact on wards
<b>Forward Plan Notice Published</b>	3 November 2022
<b>Strategic Plan Priority / Outcome</b>	<b>Priority 5: Invest in public services</b> Deliver improvements in services for adults needing social care, children's services, children with SEND and children in trouble with the law

## **Executive Summary**

Children with particularly complex needs, including those who are at significant risk of causing harm to themselves or others, including risk to life, can be placed in a secure children's home when no other type of placement would keep them safe. The guidance for the use of secure children's homes is set out in s25 Children Act 1989.

There is a significant shortage of national secure children's home provision as highlighted by OfSTED and London has no provision. The numbers of children placed are small, but the placements expensive. Further, where places are not available, the alternatives, often requiring multiple ratios of staff for each child, are amongst the costliest placements for children's services. For example, the Association of Directors of Children's Services (ADCS) recently highlighted more than twenty local authorities paying over £20K per week (equivalent to £1 million per year) and one case of £49,680 per week (equivalent to over £2 million per year).

**In Tower Hamlets between 2017 and date, a total of 15 children were placed in a secure children's home, at a total cost of £1,696.324.**

There is an opportunity now to develop and establish a secure children's home provision in London to bring additional capacity to the market, with funds provided by the Department for Education, but this requires a Pan-London approach.

It is proposed that a company, owned by London local authorities, called the Pan London Vehicle should be established to oversee the development, and running of the new secure children's home provision. In the long term, it is intended to explore whether the Pan London Vehicle's remit could include other key pan-London commissioning arrangements that will improve the lives of London's children and young people.

A Pan London Vehicle (PLV), jointly owned by London local authorities, will initially oversee the build, and contribute to the development of the operating model for the new secure children's home provision, as well as the commissioning arrangements to run the service. The Pan London Vehicle will be a means to share the risks and benefits associated with developing and running the secure children's home, with a key benefit being that places at the new provision will be prioritised for the London local authorities who opt in to join the Pan London Vehicle.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Following agreement by ALDCS, for this item be added to the Cabinet forward plan for consideration by December 2022. Cabinet is asked to provide a decision as to the Borough becoming a member of the jointly owned Pan London Vehicle for Commissioning.
  - a. The Pan London Vehicle (“PLV”) will be a company limited by guarantee (“CLG”) and owned by the London local authorities. The PLV will not be focussed on profit generation, and it is intended that any surplus generated by the PLV will be reinvested into its activities.
  - b. Be part of the PLV, secure children’s home provision for a five-year period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028, with a break-point after two years once the refreshed business case has been developed to include service pricing structure, commissioning approach, practice model and location, the 20k per year membership payable for five years, has now been removed for the development stage (first two years) of the PLV, which will be funded by the Department of Education grant.
  - c. Collaborate with other PLV members on future joint commissioning programmes.
  - d. Commits in principle to joint oversight and risk/benefit sharing, through the PLV, of the secure children’s home provision, for a five-year period to 31<sup>st</sup> March 2028, including the build, service development and service commissioning phases, subject to ratification after the revision of the secure children’s home business case, and renewable on a ten yearly cycle thereafter, with break-point after five years.
  - e. Delegates authority to James Thomas, in consultation with The Mayor to:
  - f. finalise the legal documents required to set up, join and run the PLV and
  - g. make the final determination on the Council’s membership of the PLV, following completion of the revised secure children’s home business case and, if appropriate, enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement and run any aspect of the PLV arrangements.

2. To note the Equalities Impact Assessment as set out in Section 4.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The total expenditure on residential provision by children's social care by London Boroughs has increased by 28% from £1.6bn in 2015 to £2.1bn 2021, despite a decrease in the rate of looked after children of 10%. Overspends collectively exceed £100m. There is considerable variation between boroughs, ranging from an increase in expenditure of 2% to 133%.
- 1.2 Tower Hamlets total expenditure on residential provision (including secure accommodation) in 2021 was £3,790,978.52, in 2020 it was £3,347,150.00, and 2019 this figure was £5,062,554.00. A possible explanation for the decrease in expenditure could be as a direct result of the transformation work conducted post the 2019 Ofsted inspection and the pandemic, Covid19.
- 1.3 There is a clear need to create more secure children's home provision for London. Detailed analysis supports the creation of 24 secure welfare beds. These beds will allow London children to be placed within London, which will give young people better outcomes at a lower cost. The funding commitment from the Department for Education of £50+ million offers London an opportunity to invest significantly in improving outcomes for our most vulnerable children and young people.
- 1.4 Even with this additional funding, the financial, operational, and reputational risk required to take on this project is more than any single local authority could manage. The case for creating this provision relies on collaboration between London local authorities, and to this end, the establishment of the PLV will allow London local authorities to share both the risks and benefits of the project. The PLV is the required infrastructure for the project to succeed.
- 1.5 The PLV therefore provides Tower Hamlets a means of leveraging £50+ million of investment for our children and young people. London local authorities are being asked to seek approval from their Cabinets to join the PLV for a five-year period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028, at a fixed annual cost of £20K (years 3 to 5), subject to inflation adjustment.

## **1 ALTERNATIVE OPTIONS**

- 1.1 Do nothing, therein not become a member of the PLV and maintain the 'as is' position. That is the, continued commissioning of High-Cost Low Incidence placements for children and young people requiring a secure children's

home, which will mean children being placed outside of London and at a distance from their home authority and their familiar cultural context.

- 1.2 Children who cannot be placed in a secure children's home are **often placed in less suitable and sometimes higher cost alternatives** - often in excess of **£10k per week**.

## **2 DETAILS OF THE REPORT**

### **Why does London need Secure Welfare Provision?**

- 2.1 Across London, a relatively small number of children require a secure welfare placement, which is very high-cost provision and despite their complex needs, these children are often placed the furthest from their home local authorities, an average distance of 192 miles, which impacts detrimentally on children as it impacts on their contact with family and their community. Additionally, the loss of local contacts and pathways in education, training and employment has a negative impact on their development post-placement.
- 2.2 Further, the national shortage of provision, can mean that places are often not available when referrals are made so children are then placed in less suitable but higher cost alternatives. This shortfall in provision is particularly acute in London where there is not any Secure Provision – over three years London referred 295 children to Secure Provision but only 159 children received places. The majority of requests (72%) are for children from Black and Minority Ethnic groups, well in excess of the London comparable profile of 41%. The current arrangements are exacerbating poorer outcomes for this group and racial disparities.

## **3 EQUALITIES IMPLICATIONS**

- 3.1 [London Innovation Improvement Alliance (LIIA) is conducting the Equalities Impact assessments as part of the overarching programme across the Pan London Placements Commissioning Programme (PLPCP).]

## **4 OTHER STATUTORY IMPLICATIONS**

- 4.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
  - Best Value Implications,
  - Consultations,
  - Environmental (including air quality),

- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

4.2 No other statutory implications have been identified.

## **5 COMMENTS OF THE CHIEF FINANCE OFFICER**

5.1 The membership costs of £20k to the council would not come into play until the third year of the contract when the proposed facility would become operational. The costs off membership would expect to be mitigated by reduced costs of placement as well as reductions in time and the cost of travel for social work support and family visitation. There would be no negative impact on the General fund and opportunity for longer term savings. All Capital costs are confirmed as being met by the Department for Education.

## **6 COMMENTS OF LEGAL SERVICES**

6.1 The legal structure of the proposed Pan London Commissioning vehicle (a Company limited by Guarantee) is set out in detail in appendix 1.

6.2 The Council has the power to become a member of the company by virtue of Section 1 of the Localism Act 2011 and can utilise the provisions of Section 111 of the Local Government Act 1972 and the Childrens Act 1989 sections 25 and 27 where appropriate.

### **Linked Reports, Appendices and Background Documents**

#### **Linked Reports**

- NONE

#### **Appendices**

- NONE

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- [London Sufficiency \(greatdigitaldev.co.uk\)](http://greatdigitaldev.co.uk)
- [Resources & Commissioning - London Innovation and Improvement Alliance \(liia.london\)](http://liia.london)
- [Placements Services - Commissioning Alliance](#)
- [ISOS Under Pressure children's services finance Final report \(4\).pdf](#)

#### **Officer contact details for documents:**

N/A

