APPENDIX B

Rhondda Cynon Taf County Borough Council

Looked After Children: Residential Care Transformation Strategy 2022-2027

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Executive Summary

In all cases, the Council supports families to look after their children at home, with support where necessary. In January 2022, the Cabinet approved the Council's looked after prevention strategy that sets out its commitment to family support, and making sure that only those children for whom there is no safe alternative, become looked after.

When children become looked after, care by relatives or connected people is always our first option, and foster care where that is not achievable. Some children's needs cannot be met by substitute family care or foster care, and they will need to be looked after in residential care. This report, and its related action plan set out the intention to deliver an unprecedented change of strategic direction in relation to children's residential services.

Residential services are an essential element of the portfolio of provision that is required to meet the Council's statutory obligations to looked after children. It has been increasingly evident over recent years that the largely outsourced provision (85%) has struggled to supply services to meet the changing needs of our looked after young people, and commissioning systems have not entirely had the desired impact.

In 2022 Welsh Government began to implement a policy to eliminate private profit making from children's services, with residential services a central target. There is an urgent imperative on all local authorities to plan for this transformation that is intended to be fully implemented by 2026/27.

RCT has taken a sector-leading needs-led approach to identification of the types of residential provision that will be required to meet the needs of children both now, and in the future. This report sets out that work and its conclusions.

The changes required to the scale and type of provision available, to ownership, management and to related resources are substantial. The Council faces the challenge of becoming a provider in its own right on a much greater scale over the transitional period whilst at the same time managing a market of both evolving not-for-profit partners and declining and exiting existing partners. The interaction with regional partners and the Welsh Government during the transitional period will also critical to developing the resources and services required.

This report articulates the current state of children's services rapidly developing strategy and action plans and seeks support for the approach and direction proposed. Strategy, and related action plans need to remain agile to adapt and evolve as the impact of the policy change is experienced in the coming months and years.

1. BACKGROUND

1.1 Values and vision

The vision for this strategy is that by 2027, all RCT young people who need residential care are looked after close to home in high quality settings where they can thrive, and that they are looked after by a stable, resilient, skillful and well supported staff group.

This work will also be underpinned by our commitment to stability for looked after young people, understanding that looked after young people need specialist services.

1.2 Our duties as a local authority

Part 6 of the Social Services and Well-Being (Wales) Act 2014 sets out local authorities' duties to looked after children. This study is specifically concerned with s.75 of that act, and the duty to secure sufficient accommodation for looked after children in relation to residential care. Noting the evident benefit of foster carers and children's homes working well together in specific cases, there is a separate strategy and action plan in relation to the attraction and retention of foster carers as part of the regional Foster Wales plans.

1.3 National Policy context

In June 2021 the Welsh Government set out its vision for children's services in Wales in its programme for government: (https://gov.wales/sites/default/files/publications/2022-03/children-and-young-peoples-plan.pdf). The commitments included in the programme state the view that the Government does not believe there should be a market for care for children that includes profit-making, and that future care for looked after children in Wales should only be provided by public sector, charitable or not-for-profit organisations.

Since Autumn 2021 the Welsh Government's Eliminating Profit from the Care of Children Looked After Programme Board has been developing the proposals for the legislative changes required to achieve its vision, and in August 2022 issued a consultation document that included the intended timescale.

The Welsh Government Eliminating Profit Board recognises the scale of the change required across Wales, especially in children's residential services, where 85% of places available in Wales are currently provided by independent providers, with private sector bodies making up 80% of available homes.

The transition period will be 4-5 years. New providers registering with CIW will need to have not-for-profit status from 1 April 2026, and any current "for-profit" providers will need to transition to, and register with CIW, as having not-for-profit status by 1 April 2027. By clear implication, any private provider not undergoing such transition will become de-registered in Wales and unavailable for use by local authorities in Wales).

In its September 2022 response to the consultation, the Children's Homes Association (the representative body of children's homes providers in England and Wales) has indicated that almost all current private-sector providers do not intend to transition. Government and councils across Wales therefore need to plan and take action to address the deficit in supply that will likely result. That said, RCTCBC Children's Services cannot deliver on this transition alone, and although it is early days, 2 known and trusted SMEs have indicated a willingness to work with RCT in a not for profit future.

There is therefore a clear imperative across Wales for local authorities to plan to address the implications in this transformation of the service provider sector. This will include the development of investment plans to build new local-government owned homes and capacity (supported wherever possible by Welsh Government funding that targets such investment). This will need to be on a significant scale in order to replace independent sector capacity that is predicted to become unavailable.

1.4 The Competition and Markets Authority view

In 2020/21 the CMA carried out a study of the children's social care market (including but not limited to children's care homes) across Wales, England, and Scotland. The study reported in March 2022, recognising the different approaches being taken by the devolved governments of Wales and Scotland.¹

In the report for Wales, the CMA reaches some key conclusions that are relevant to RCT's children's residential strategy:

¹ <u>www.gov.uk/government/publications/children's-social-care-market-study-final-report</u>

- The report recognised the growing challenges faced by local authorities across all three countries and concluded that the markets were not functioning effectively.
- The CMA's financial analysis found that the cost to local authorities of providing their own children's home placements is no less than the cost of procuring placements from private providers. This has clear implications that any shift of supply to public sector over the coming years will likely not result in financial savings.
- The CMA highlights that a sudden loss of private capacity from the market could place local authorities in Wales in a
 difficult position, with negative impacts on children. The report for Wales therefore states the need to ensure the existing
 placements market continues to operate as well as possible in the transition period.
- The report includes a number of recommendations as to how to improve commissioning in the market (stating that these are also relevant to a market that will be solely not-for-profit based in future).
- The CMA predict that it is also likely that new placements capacity will be needed, to reflect changing needs, or simply to replace lost capacity.

The CMA review, set in the specific context of the Welsh Government's policy, gives clear signals as to the actions that are recommended to sustain the existing provider marketplace during the transition period and to plan to replace the significant loss of private sector capacity before 2026/27.

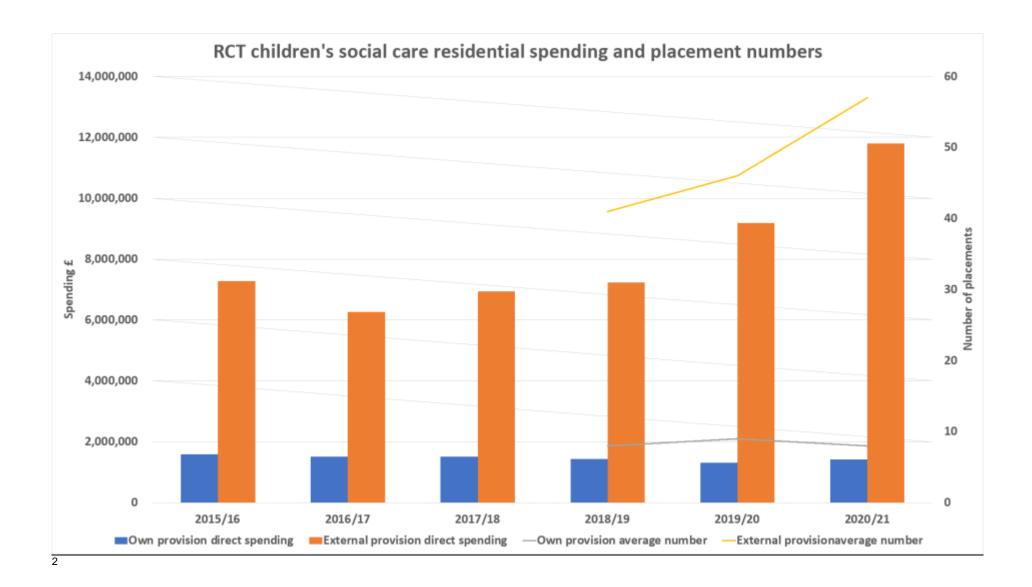
2. KEY DATA AND FACTS

2.1 Why we need this strategy

Despite the development of a 16+ accommodation strategy, and a placement commissioning strategy, at the time of developing the strategy, 90% of RCT's looked after children in residential care are placed out of county. During the past few years, the service has experienced an increase in demand for residential care, which is mainly supplied by independent providers. As at 30.09.21 when we prepared the baseline data for this project, there were 14 providers of residential care in RCTCBC with 50 beds (which would be sufficient for RCT demand if no other LA used these beds), 7 of those 50 places were taken up by RCT looked after children. The market place is not reliably supplying sufficient quality residential care close to home that is available at the point of need. Notwithstanding some great results, there have been some examples of weak outcomes also, and too many examples of young people move placements within residential care. Our ambition is to develop services close to home that can meet need and improve outcomes over the next 5 years.

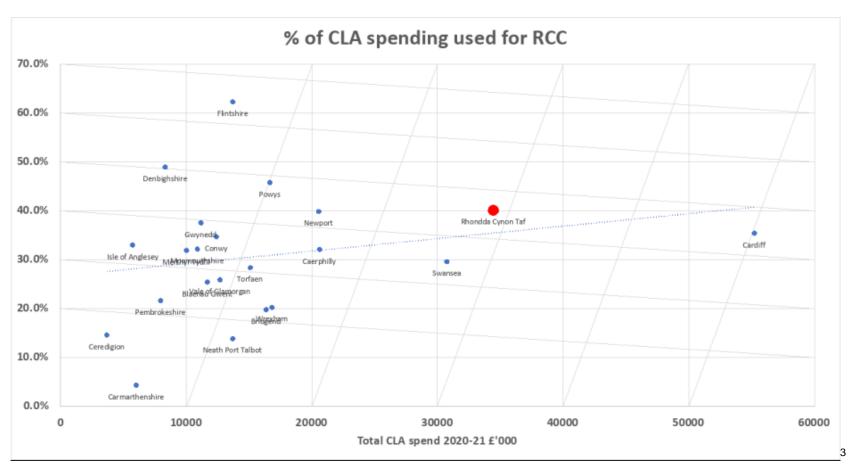
RCTCBC has the second highest level of demand for, and spending on external children's care homes in Wales. Recent history across the whole of Wales has seen increases in both the numbers of children placed residentially and the costs associated with the purchasing of those placements.

The Council's experience in recent years is illustrated below and mirrors the whole of Wales picture. The increases in spending have increasingly challenged budgetary control and RCT had already set out on a major review of its residential placement strategy in 2021/22 before details of the Welsh Government's policy implementation were announced.



² www.statswales.gov.wales

In addition to being second only to Cardiff in spending terms, RCT also spends a relatively high proportion of total Children Looked After (CLA) budgets on residential services. The combination of those two factors (illustrated below) means that, relative to all local authorities in Wales, RCT has a particularly strong motivation to address the placement supply challenges over the next 4-5 years.



³ www.statswales.gov.wales

2.2 RCT children's services and key data

RCT Children's Services provides a range of accommodation for children looked after including:

- Foster Care
- Kinship Care
- Residential Care
- Supported Accommodation (16yrs +)
- Supported Lodgings (16yrs +)
- Independent Living (16yrs +)

The following support services are in place:

- Allocated Social Worker
- Fostering Support Team
- Placement Finding Team
- Therapeutic Families Team (supports case formulation and implementation of Trauma Recovery Model in Children's Homes)
- Miskin Services (time limited intensive interventions that reduce risk)
- Multi-agency Permanence Support Services (New will support therapeutic approaches in foster care and provision of therapy)
- Looked After Children's Education Team (including Head Teacher for Children Looked After)
- Step in the right Direction (Targeted support to employment)
- Advocacy
- 6 Children's Homes

Headline Data:

As at 15.10.22 RCT had 640 CLA which has been a reducing trend during the past year, but is the 4th highest per 10,000 capita in Wales, hence the updated looked after children prevention strategy that was approved by Cabinet in January 2022.

- 26% of admissions to care are children aged under 1 year old. The numbers have decreased by 15 when compared to the same period in 2020-21 and the trend shows that this age group continues to have the highest number and rate of admissions (hence development of the new pre-birth service Magu).
- The number of children being brought into care aged 16+ has increased by 1 when compared to the same period from 8 in 2020-21 to 9 which is 8% of the overall figure in 2021-22 (In line with increasing numbers of UASC and improved focus on protection from exploitation, we may need to anticipate increased numbers in this cohort).
- The highest number are in the 10-15 age group with 276 children in care (43%). This age group is consistently the highest percentage.
- 9% of the CLA population are placed in residential care and 1% of those young people are placed within RCT provided children's homes.
- 25% of the population are placed with RCT mainstream foster carers
- 34% are placed with connected carers
- 17% are placed with independent foster carers
- 11% are placed with parents

2.3 RCTCBC in-house residential

Nine councils in Wales currently do not own or operate any registered care homes for children, whereas RCT has five existing homes with one new site being prepared for registration at the time of writing.

The existing in-house know how, experience and resources that deliver residential care for children in RCT is a valuable base for further development. However, as illustrated above, the scale of existing reliance on private sector providers is 5-6 times that of the existing in-house capacity. This gives an indication of the significant scale of development and/or recommissioning with not-for-profit providers that will be required.

The review of residential strategy that began in 2020/21 identifies a wide range of provision that is needed to meet the needs of children from RCT. As discussed further in this document, there is need to consider the potential for developing provision solely as RCT, as part of the wider region, and also through collaboration with health and education partners.

Scrutiny of the weekly cost of RCT in-house places earlier in 2022 compared to the weekly costs of places purchased from external providers confirms the CMA findings that in-house services are unlikely to offer potential for financial savings.

2.4 What we did and how we did it

A multi-disciplinary residential steering group was established to guide the work and develop this strategy in 2021/22. Representation was drawn from children's services, education, regional partnership board, housing, and adult services. There was also representation from the University Health Board. The group identified the need to access additional knowledge and experience of the children's care home sector, and secured funding from the Regional Partnership Board for a feasibility study. Via a formal procurement process Revolution Consulting and the National Centre for Excellence in Residential Child Care were commissioned to support the project.

This strategy document and action plan summarises the outcomes of activities undertaken by the steering group and advisors that included a background literature review, secondary data and financial analysis alongside engagement with staff in meetings and discussions with multiple stakeholders.

Our advisors particularly identified the need for an enhanced approach to strategy development that differs from previous strategy cycles. A more detailed, granular needs assessment approach at the level of each individual child placed in residential care was undertaken to inform a needs-led services description and strategy development. Outputs from this enhanced approach were summarised in detail for the steering group.

Priorities for the proposed action plan were developed from the analysis by the steering group and are set out in section 4 below.

3 FINDINGS AND ANALYSIS

If the Welsh Government's policy decision to eliminate for profit residential care continues, then the private sector homes that currently offer placements, in Wales and England, will no longer available in their current format by 2026/27. At the time of writing it is unclear to what extent existing providers will adopt new, not for profit model of delivery.

It is clear there are benefits to rethinking the RCT strategy regarding the use of residential care and developing homes of its own. They will be known entities, directly related to meeting need, close to home, able to be managed directly and to offer relationships across RCT, health and education services from a shared values base.

The opportunity to create the range of needs-led homes required will be different than can be achieved by market-based commissioning which is dictated by provider availability. The number of homes RCT has of its own will increase significantly.

Without the need for the same scale of current procurement and commissioning the role and task of current personnel would be redirected to the identification, creation, matching, quality assurance and improvement, and sustaining of homes.

This development will need to happen over a number of years and in a planned sequence.

It will need close financial and operations management.

3.1 Five key areas for development

Five development areas	Why do we want to improve in this area?
Develop Assessment and Practice Update and development of the evidenced based profiling tool to support the description of a child in a Placement Request Form thus providing a secure basis for placement making by design	 To be assured needs are being assessed and described accurately and consistently with a view to improving outcomes for young people To clarify the thresholds for placement in to fostering and residential options To ensure there is good matching and the most appropriate placement leading to effective practice

Five development areas	Why do we want to improve in this area?
2. Develop Not for Profit Commissioning Development of relational commissioning with the not- for profit sector, shifting from a focus on transaction/procurement to the building of relationships, corporate and collegiate mutual trust enabling negotiation and flexibility	responses that make for efficient investment in a placement To enable good care planning from the outset in a manner that acts as the foundation for care planning, monitoring of progress, and decision making of moving on/stepping across to other settings To ensure interventions are compatible with the Council's Looked after Prevention Strategy To foster close, ongoing dialogue with and between aspects of children's services so that all are fully aware of operational demands To achieve the right placement for the right child at the right time Focus on identification, creation, matching, quality assurance and improvement, and sustaining of homes Linking quality assurance to improvement through focus on communication, problem solving through learning Ensuring the RCT culture of care, the shared identity and common value system, is adhered to consistently
3 Develop RCT Provision of Children's Homes that meets need and matches statutory sufficiency duty For RCT to meet the needs of children will require a range of homes offering differentiated provision.	 in all homes. Matching of needs to placement is effective in producing positive outcomes for young people and supports effective investment in a placement One model of care cannot be replicated for all needs. RCT needs to act on an understanding that delivers

Five development areas	Why do we want to improve in this area?			
	configured so that they can effectively meet the needs of children			
	 All homes will have evidence-based practice as this brings a positive outcomes impact rather than 'care as usual', with no evidence base to the care. 			
	 The specificity and specialism of each home is highlighted as its primary task and is to be valued. 			
4. Support and Develop the Residential Care Workforce Attraction, retention, training and support – investing	 Effective needs directed practice reduces the likelihood of a breakdown in placements and improves outcomes for children in care 			
in workforce development	 It acts to attract new recruits and retains staff as a major factor is learning and job satisfaction 			
	 Support and consultancy - psychology, psychiatry, therapy - need to be integrated 			
5. Leadership Leadership is a key factor in positive outcomes of residential options. Internal and external management is necessary	 Councillors and Senior leadership will need enhanced residential knowledge and experience. Registered Managers act as community of practice and mutual support 			
	 Ensure that the infrastructure resources required to deliver on this duty are realistically but proportionally made available 			
	 There is fair accountability for all across the Council as the strategy requires active buy-in from Social Services, Finance, Housing and Estates 			

It is projected that successful implementation of these improvements will lead not only to better outcomes but also to effective expenditure because of:

- The earliest access to the most appropriate intervention by design and decision reduces the intensity and duration of a
 placement, and also reduces likelihood of breakdown which incurs further cost that comes with multiple placements
 and escalating severity of need and expenditure. Proactive planned provision is more effective than reactive
 procurement from what is currently made available by providers being possible
- Increases in the number of children who can safely move on from care or step across to other placement options. Identification of the homes necessary to be created is a first step. The most dependable strategy is for RCT to develop the range of homes as its own resources, supported by targeted and agreed local supply by not-for-profit providers. Identifying not-for-profit providers is challenging, there are few in Wales with children's homes. Whilst some have indicated they may be open to discussions to develop further capacity in Wales, it is known that their knowledge and experience in the recent past has not included some areas of the more intensive and specialist residential child care practice. The few that have had a long consistent quality practice are unlikely to seek to offer any provision other than where it is currently located in England. Welsh Government may make funds available for the acquisition of currently for-profit business, but at the time of writing, the details of that have not been made available.

3.2 Finance

To establish the scale, range and number of homes indicated is unprecedented. The funding requirement is substantial, but it is an investment in the future. The bringing together of the people, their development, and the material environment is a large undertaking.

Such a phased establishment requires the appreciation of the first three years in any home follows a curve of dynamics, developments and practice will initially flow, then ebb, then be rekindled. That there will be homes at various stages will require a significant engaged management to sustain the homes. This cannot be underestimated.

This is a challenging and difficult to control area of budget with increasing costs in association with the national minimum wage, the cost of living, inflation and impact of instability and increasing demand leading to increasing costs.

In order to achieve the ambition, the following likely costs have been identified:

Capital: Development of the new sites to the standards required for registration with CIW

Revenue (Infrastructure): Staffing and expertise required to develop the provisions, some of this will be time limited, but the need for focus on quality outcomes and compliance with RISCA (Regulation and Inspection of Social Care Act (Wales) 2016) will have longstanding financial impact.

Revenue: Running costs of each new provision as it is developed

An outline assessment of the likely capital and revenue costs over 3 years has been carried out in preparation for the submission of a £17.1 million funding proposal to Welsh Government under the Eliminate and Change funding. At the time of writing a decision is awaited.

An application has been made and agreed in principle, for a capital grant under the Housing With Care fund via RPB for investment before 31.3.22, and subsequent applications may be made.

A Regional Integration Fund application for staffing to embed trauma informed practice has been made, but is unlikely to be forthcoming in the current context.

In order to maintain financial controls, an Estates and Finance sub group has been established and a business case format for each individual setting and investment has been agreed. Final decision making lies with Group Directors for Finance and Social Services in consultation with Cabinet Members.

4 IMPLEMENTATION PLANNING

This study and strategy have a necessary focus on children's residential services. However, these services exist in the context of children's services and the Council's wider duties and activities. The residential strategy therefore needs to be consistent with wider actions including but not limited to the prevention of escalation to residential care, fostering, prevention of placement breakdown and risk/contingency management.

4.1 Planning principles

A key message from many recent evaluations of innovation is that **transformative change is not easy to achieve** either for individuals or for organisations (for example: Bostock et al, 2017; Sheehan et al, 2018), also that it is important not to under-estimate the scale of change or adaptation needed in culture and working practices (Albers et al, 2020)

Key principles relating to more successful implementation of social work practice change are as follows:

- **1.** That implementation plans should pay attention to 3 areas:
 - 1. Practice innovation
 - 2. Effective alignment of service pathways to the desired change, including assessment, planning and review activity and documentation; and IT supports.
 - 3. How the whole system supports the innovation
- **2.** Effective, consistent leadership of change is required at all levels, including modelling of the desired practice changes by all including senior leaders; sustained support for the vision for change; and effective, varied communications.
- **3.** Performance management and monitoring arrangements that reflect the priority areas for change.
- **4.** Attention to the pace of the implementation of change.
- **5.** Staged implementation including with reference to:
 - Exploration of the rationale for change and proposed change(s) with practitioners and team managers to create an appreciation and commitment to the necessary developments and to ensure that there is a common language and framework of understanding. Essentially, they need to be brought on board, expecting always that some practitioners will embrace change quickly, others not.
 - Design work for the homes based on the RCT evidenced identified analysis

- Initial launch including with attention to aligned training and broader supports for practice; opportunities to celebrate along the way; organisational alignment
- Phasing of implementation and report backs to the workforce
- Embedding attention to sustaining change over a longer period.

4.2 Prioritising developments

The need to act at pace that results from this work being carried out in a changing policy environment is evident. The steering group has especially focused on how to prioritise the development of homes from those identified by this study and analysis.

Consideration has been given by the group to the factors that should influence the prioritisation, including:

- Impact potential: Number of children likely to require the service type
- Impact potential: Relative urgency of need
- Impact potential: Relative price of services if purchased externally
- Degree to which development can/should be carried out by RCT acting alone

This has contributed to a prioritised schedule of need that is guiding the work of the steering group and its sub groups.

4.3 Performance Measures

Any successful strategy requires a set of performance indicators that assist in measuring the success of the project and early alert of a problem that requires solution. The following measures are recommended and will be finalised at the December 2022 Steering Group Meeting:

Period	Number and %age of CLA who need residential care	Number and %age of children who received residential care in commissioned for profit settings	Number %age of children receiving residential care in RCT	Number and %age of CLA in not for profit residential care including in RCTCBC provided homes	Number of unplanned placement moves within residential settings	Number of children in residential care in full time education / employment / training	Budget Spend profit resident including RCT homes		Budget Spend residential care	
Baseline	64	51	8	13	4	46	Weekly	Annual	Weekly	Annual
Year 31.3.22	(8%)	(80%)	(15%)	(20%)			£52,196	£2,714,179	£237,168	£12,332,735
31.3.23										
31.3.24										
31.3.25										

Delivery against this strategy and its action plan will be monitored but the Residential Transformation Steering Group. The impact of this work and the need for a future strategy and action plan will be reviewed in 2025-6 ahead of the implementation of the legislative intention. An annual report will be provided to Corporate Parenting Board and Scrutiny Committee as per Council decision.

5. OUTLINE PLAN

This document outlines RCT's prioritised plan for the development of not for profit residential care. It has resulted from a study that has been informed by a rapid research review, secondary financial and data review and a detailed analysis of need. It anticipates future need and the requirement to shift to a not for profit model of delivery in line with government's policy. It considers the following areas of business:

- 1. Prevent avoidable escalation of need to residential care
- 2. Prepare to develop new provisions, and engage with existing providers who may consider not for profit provisions
- 3. Plan and coordinate in an outcome focused integrated way
- 4. **React** to the need to develop emergency accommodation

1. Prevent avoidable escalation of need to residential care

Number	Outcome	Who is Accountable	By when	What Needs to Happen
1.1	The Looked After Prevention Strategy is implemented and monitored	Director CS	31.3.23	 Children's Services Management Team monitor the effectiveness of the CLA prevention strategy at Safeguarding and Prevention Quality Assurance Meetings and respond to any needs for change
1.2	RCT's work under the auspices of Foster Wales increases the supply and skill of foster carers	Regional Development Manager for Foster Wales	31.3.23	 Implementation of the RCT recruitment and retention strategy The Regional Strategic Steering Group review performance against the strategy

1.3	Looked after children's needs are met early and opportunities to prevent escalation of need to residential are taken up via the Therapy Panel process and the implementation of the Multi-Agency Permanence Support Service	Therapy Panel Chair	31.3.23	 Report by 31.3.23 evaluating the work of therapy panel and making recommendations to Children Looked After Quality Assurance Panel about a future work plan that would manage and reduce escalation of need wherever possible 	
1.4 2. Pr	Engagement with providers is enhanced increasing support by RCT services to prevent avoidable placement breakdown and increase oversight of any changes in provision that signal a need for preventative action	Monitoring Group	31.3.23 ders who n	 Report by 31.3.22 to Children Looked After Therapy Panel which evaluates past work makes recommendations about work that will lead to increasing stability in residential placements. 	
Number	Outcome	Who is Accountable	By When	What Needs to Happen	
2.1	Prepare costed business cases for new provisions in priority order identifying the	Head of Accommodation	31.3.23	Develop a prioritised schedule of	
	model of care and whether it is RCT, Regional or integrated provision	and Family Support		settings and models of care required during the next 3-5 years and 5years + Work up costed business cases, identifying funding sources	
2.2		and Family	31.3.23	required during the next 3-5 years and 5years +	

Number	Outcome	Who is	By When	What Needs to Happen
Number	Outcome	Accountable		What Needs to Happen
3.1	Evaluate evidence and develop a strategy	Service Director	1.11.22	 Draft strategy is developed
3.2	Consult with and involve stakeholders	Service Director	1.12.22	Consultation takes place ahead of concluding the strategy and implementing the action plan
3.3	Establish a multi-agency steering group and sub groups that coordinate the work, ensure that results are achieved, and resolves barriers	Service Director	1.11.22	 Terms of Reference agreed Schedule of meetings agreed
3.4	Develop and review / update risk assessment and management plan and impact assessment	Change and Transformation Officer	1.11.22	 Risk Management Plan and Impact Assessment considered and approved at steering group
4. R	eact to the need to develop emergency accommodation	1		
Number	Outcome	Who is Accountable	By When	What Needs to Happen
4.1	Same day placement accommodation is developed and registered by 30.6.23	Head of Accommodation and Support	30.6.22	 Develop statement of Purpose for WH Update procedures Recruit to staff Team Submit application to CIW