

Report to: Lead Member for Children and Families

Date of meeting: 11 December 2017

By: Director of Children's Services

Title: Proposed Extension of Lansdowne Secure Children's Home

Purpose: To consider the business case for extending Lansdowne Secure Children's Home

RECOMMENDATIONS

The Lead Member for Children and Families is recommended to:

- 1. Note the work of the project group when considering the benefits and risks associated with a proposed extension; and**
 - 2. Agree to extend the current number of beds at Lansdowne Secure Children's Home from 7 to 11/12.**
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1. Background

1.1 Lansdowne currently provides 7 beds in a secure environment for children between the ages of 11 and 17 years of either gender. Orders for placing a child in a secure environment are granted at court when children have a history of absconding and are likely to abscond from any other description of accommodation, and they are likely to harm themselves or others.

1.2 Children placed at Lansdowne may be from any Authority in England and Wales. Hampshire County Council runs a national co-ordinating referral service for all welfare beds in Secure Children's Homes. The beds at Lansdowne are sold on a business model to offset running costs and provide a further stream of income for the East Sussex County Council (ESCC) Children's Services Department.

1.3 The proposed extension would increase the number of secure welfare beds available to the national system at Lansdowne from 7 to 11/12. The proposed plans include high dependency provision which can be used flexibly, depending on demand. If the current time line is met the extension would be completed by March 2020 and Lansdowne would remain operational as near as possible at its current level throughout the building work.

1.4 Individual packages of care are available, including education and bespoke psychological and physical health support for young people. Their complex needs are addressed by a multi-disciplinary team.

1.5 The current Lansdowne building opened in May 2013 with a proposed area for a future extension, if needed, agreed with the Planning Authority. The Department for Education (DfE) approached the Children's Services Department in early 2017 to appraise the desire to extend Lansdowne. The demand for secure beds across the country has shown a rapid increase and on most days there are far more authorities having been granted a Secure Order and seeking to place a young person than there are beds available, especially for high dependency provision.

1.6 High dependency refers to young people with extremely challenging behaviours and complex needs that require higher staffing ratios, additional interventions and management away from the rest of the resident group. They are most likely to be young people with extreme mental health needs but who do not meet the criteria for admission to a mental health facility, or young people who display a high level of aggression.

1.7 The DfE was very supportive and encouraging about the proposal for high dependency bed spaces to be included in the extension plans, as these are currently very limited across the country for hard-to-place and challenging young people who meet the secure criteria. At present a debate about a national commissioning model is in its early stages but it is too soon to know confidently what this could mean for Lansdowne.

1.8 Lansdowne has a 'good' Ofsted rating and is building a reputation for working positively with young people at risk of child sexual exploitation and self-harm. As a result, Lansdowne generally accepts more referrals for girls. The unit is often unable to accept referrals for boys with challenging behaviours as it is difficult to match their needs with the young people already in placement, especially as those boys are likely to display similar behaviours to the perpetrators of the girls' abuse. The aim with the extension is to create a range of separate living areas so there can be more flexibility about the referrals that can be accepted.

2 Supporting information

2.1 The options for the layout of the extension have been considered and various designs have been drawn up by the architectural team and discussed at project meetings. These take into account client demands and needs; challenges of available space; impact on the existing unit and residential area; and cost implications, sustainability and working environment for safety and homeliness.

2.2 The proposed configuration was discussed in great detail in project meetings to ensure that the final extension was designed to be flexible in order to adapt to any potential change in market demands for high dependency beds (i.e. it could revert from 11 beds with 2 high dependency areas to 12 beds with 1 high dependency or stepdown area). Flexibility was considered as a key issue.

2.3 The Project group consists of:-

- Orbis Property/ East Sussex County Council
- Lansdowne Managers and Education providers
- DfE Advisers to Government
- IBI Group Architects
- Ofsted

2.4 The group has met every two weeks since July 2017 to take forward discussions on design and consider plans.

Costs, benefits and funding of viable options

2.5 Any option to extend the building will be funded totally via a Capital Grant from the DfE. The most viable option is to increase the capacity to 11/12 beds which will be used as follows:

- 9 beds which will have a staffing ratio of 6 staff to 9 young people (in 3 different areas of the building).
- 2 high dependency areas which will have 3 staff on duty in total (i.e. children have 1:1 support with another staff member available); or 1/2 staff to 2 young people if there is less demand for high dependency support than anticipated and one of the high dependency areas is used for 2 young people.

2.6 The estimated costs for residential staff, non-staff costs and potential income can be seen in **Appendix 1**. These costs assume all beds will be filled every day of the year and at any one time 2 East Sussex children will be placed. Clearly fewer East Sussex children placed could result in higher income generation.

2.7 The estimated costs include replacement of equipment and furnishings; and minor repairs and redecoration when required. If any significant upgrades are required, Lansdowne can apply to the DfE for capital grants.

2.8 The high dependency areas provide stand-alone units with their own living area, small kitchen and outside space that will be able to offer bespoke support to the most challenging of

young people. They will be individually cared for and kept safe away from other young people until they are able to relocate to live alongside the group. For high dependency placements local authorities could be charged twice the nightly rate to take into account the increased staffing costs. There are very few high dependency beds already in existence in the secure estate but where they do exist, for example in the Atkinson unit in Exeter, this cost model is in place.

2.9 Within the new extension there are 2 bedrooms that will offer access to a break out room where young people can be managed away from the other residents for short periods of time. These young people are likely to require 1:1 staffing. Currently, if young people require additional staffing for extended periods of time we charge local authorities for the increased costs. We envisage that this arrangement will continue.

2.10 The new extension would also provide a lounge and dining area for young people and be of two storey construction to provide additional administrative capacity on the first floor, with increased office space for the Health Team, storage space for young people's belongings, a meeting room for staff, a staff sleep-in room with en-suite and a duty manager office.

2.11 One of the high dependency units will be created by internally altering the existing unit. This area will be easily adapted from 1 bedroom and a lounge to 2 bedrooms if the demand for high dependency beds diminishes and a 12 bedded home is required. This distinct area will also have a small kitchen area and therapy room.

2.12 The new extension will provide a new multi-purpose classroom on the school site, required due to the increased number of young people accommodated. Additionally, a video conference room has been proposed and planned to allow young people to provide evidence or to appear in court without having to leave the building, reducing the risk of absconding and cutting costs in escort provision.

2.13 The proposed plans can be seen in **Appendix 2** and **Appendix 3**.

Education Provision

2.14 Currently, the education provision at Lansdowne is provided by the Sabden Federation and partly funded by the Dedicated Schools Grant (DSG).

2.15 Over the last 18 months almost 40% on average of children in Lansdowne have been East Sussex children. The majority of these children have special educational needs and an Education, Health and Care Plan (EHCP). The financial model in **Appendix 1** allows for the accommodation of 2 ESCC young people at any one time. This assumption makes the financial model viable; if these children were placed in alternative accommodation they would require specialist education provision and incur significant costs to ESCC.

2.16 More work with the Sabden Federation is needed to finalise definitively the staffing structure and hence the costs.

Income

2.17 As stated above, it has been assumed that 2 ESCC young people will be accommodated at any one time based on previous figures. This affects the generated income as Lansdowne does not charge ESCC for placements (as is not the case with other local authorities). This, therefore, impacts on the ability to meet existing income targets.

2.18 The cost of accommodating ESCC young people in Lansdowne in 2015/2016 and 2016/2017 can be seen in the table below. The effect of this on the overall budget was greater in 2016/17 due to the secondment of an additional registered homes manager for a period of 5 months whilst the existing manager was absent. This was a requirement by Ofsted. The impact on the budget of accommodating ESCC young people in Lansdowne is as follows:

Year	Net Income BEFORE cost of ESCC children	Cost of ESCC children	Overall effect on budget
2015/2016	£149,301 profit	£371,277	- £221,976
2016/2017	£243,328 profit	£723,430	- £480,102

2.19 For the purposes of calculating potential income once the extension is complete, we have assumed a cost per child per night of £900. As can be seen in **Appendix 1**, if all the beds are sold to other local authorities each and every day the profit could be £1,455,370. This obviously reduces if ESCC children are placed and if 2 ESCC children are placed then the profit would reduce to £798,370. It is worth noting the equivalent cost of a bed being empty for a year is £328,500.

2.20 During building works, there will be decreased capacity and therefore reduced income. It is estimated that, during the programme of works, capacity will be reduced by two beds for at least 1 year. This equates to a loss of income of £587,650. It is not possible to manage this loss of income during the year of the building construction from within current Children's Service Department budgets. Corporate funds will therefore be used to cover this one-off loss of income on a cashflow arrangement on the basis that it will be repaid from the additional income that Lansdowne will be generating when the expanded service and beds are in operation. It is projected that this will be within the first 2 years of operating the expanded unit.

Risks

2.21 The risks inherent in the building project can be seen in the risk log in **Appendix 4**.

2.22 The risks to ESCC of extending the service are as follows:

- The demand for high dependency referrals may not continue until the proposed completion date of 2020 and beyond, although this is unlikely.
- Other local authorities may not have the desire and financial resources to afford such provision given the current financial climate.
- Inability to recruit high quality staffing.
- The local authority would be committed to providing the increased running costs in terms of repairing and maintaining the building, systems and furnishings.
- Provision of services to such complex and challenging young people will attract additional scrutiny from regulatory bodies and create a risk to ESCC in the event of a significant incident within the home.
- If the DSG is withdrawn to part fund education provision this will have an impact on the overall profit margin.
- Consideration is currently being given as to whether commissioning of secure beds should be centralised and managed away from local authorities. At this early stage, an initial report has been circulated to Directors of Children's services. This can be found in **Appendix 5**.
- It is unlikely that beds will be filled on a daily basis increasing the possibility of the home falling into deficit.
- The mix of young people increases the reputational risk of the local authority should something go wrong.

3. Conclusion and reasons for recommendations

3.1 There is a business case for expanding the Lansdowne Secure Children's Home, taking into account the current performance of the service, the cost of operations, the charges that can be applied to placements and the level of demand that are known and anticipated for such placements.

3.2 There are a number of risks that are recognised in respect of operating a secure unit, and increasing capacity also increases the financial risk of earning income from placements outside of ESCC to cover operating costs. However, we consider the benefits outweigh the risks and it is therefore recommended that the Lead Member approves the expansion of the unit as outlined.

3.3 The Lead Member for Children and Families is recommended to:

1. Note the work of the project group when considering the benefits and risks associated with a proposed extension; and
2. Agree to extend the current number of beds at Lansdowne Secure Children's Home from 7 to 11/12.

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