



## Mayor and Cabinet

### **Proposed Development of Lewisham Residential Children's Homes.**

**Date:** 18<sup>th</sup> September 2024

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:**

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### **Outline and recommendations**

To set out the rationale and value for Lewisham Children and Young People's Directorate to develop and operate residential children's homes in the borough and eventually provide up to 10 beds in the estate in the longer term.

Stage One of this programme, and the subject of this report involves developing three separate homes offering a maximum of 5 beds. Assuming we proceed with this proposal, and we are successful in delivering the provision we will explore the possibility of opening one or more larger homes that can take additional children and which can operate as move on accommodation for children who have been in a solo provision.

Mayor & Cabinet is recommended to approve:

- a) Delegation of authority to the Executive Director for Children and Young People (in consultation with the Executive Director for Place) to award the refurbishment contract for the three proposed residential homes following the procurement process.

- b) The commencement of the recruitment process for a Registered Manager to provide technical expertise to set up three children's homes and oversee the management of the three homes, submit a children's home registration application to Ofsted and draft policies and procedures required to run council owned children's homes that meet regulatory requirements.
- c) The commencement of the recruitment process to appoint the staff team for the three homes.
- d) The addition of the refurbishment project for the three properties within the capital programme and the allocation of £307k of funding for this, funded by available capital receipts.

## **Timeline of engagement and decision-making**

This report should be read together with the report on the future use of school premises officer accommodation which is also being considered at Mayor & Cabinet. In addition there has been liaison and learning from other Authorities which have recently opened new residential accommodation for children in care.

### **1. Summary**

- 1.1 The Children and Young People's Corporate Parenting Strategy (2021 – 2024) and Placement Sufficiency Strategy (2022-25) combined, set out the various ways in which Lewisham plans to be the best Corporate Parent it can be and ensure we have sufficient provision of placements for our children in care and our young people who have left care (care leavers).
- 1.2 This paper sets out one of the ways in which we propose to fulfil one of the aims in the Placement Sufficiency Strategy, that is to increase our in-house residential care placement provision and reduce Lewisham's dependence on externally procured high cost care placements from independent and private providers. This proposal also aims to contribute to eliminating the use of unregistered children's homes (used in exceptional circumstances).
- 1.3 Lewisham historically has a high rate of children in care, although new children entering care has fallen over the last 5 years. At the time of writing this report Lewisham has a net number of 445 children in care, who live in a range of different placements. Three quarters live in fostering and family based arrangements, 7% live in semi-independent/support accommodation (16-17 year olds) and 19% live in residential care. The proportion of children in residential care has grown by 8% since August 2022 (This includes Parent and Baby Residential Assessment Centres).
- 1.4 There are two reasons for the growth in use of residential care. The first is that there has been a 3% growth in the use of Parent & Baby residential assessment centres. This is due to a greater number of children under the age of 1 living in high risk homes and where parent(s) are being assessed as part of family court proceedings, with the safety of 24/7 supervision in place. The second and main reason for the increase is that 67% of Lewisham's children in care are now aged between 11-18 and

it is harder to find suitable foster care for older children and the needs of adolescents have become increasingly complex since the pandemic.

- 1.5 Rising numbers of adolescents with acute and profound social, emotional and mental health needs require high intensity care placements, often in solo placements because of the risk of harm they pose to themselves and others. On average we have 12 children at any one time, who need to live on their own because of their complex needs. It has become increasingly difficult to source placements for these children and costs have significantly increased. Most of these placements are bespoke unregistered arrangements, although officers continue to seek a registered placement for such children.
- 1.6 We are currently entirely dependent on the external market to provide registered children's home placements and on occasion must procure an unregistered home when an Ofsted registered provision cannot be secured. Whilst these unregistered placements have robust management and family court oversight, they are not legally permitted and they are significantly more costly. Furthermore residential care placements are mostly outside the Council boundary, creating further disruption to the child, making the provision of care and services to the child and transition back into the family and/or local community more challenging.
- 1.7 The proposal is to develop and run (initially in Stage One) three small children's homes which alongside a number of other actions aim to:
  - Reduce our reliance on the external market for placements and improve our control over where our children live and the care they receive,
  - Keep our children within the borough to enable them to remain connected with their family, community and local services. We want to provide greater stability for this highly vulnerable group of children, who too frequently move placements at short notice when placement providers decide to terminate contracts because of the challenging and risky behaviour presented by the children,
  - Reduce the use of unregistered provision,
  - Help to manage the high, spiralling costs associated with placing children in externally procured residential placements, which the Council has little to no control over.
- 1.8 Local and Council run services create a more favourable, high-quality registered home and provide easier access for staff to meet the child's holistic needs alongside partner agencies, for example health and education. Currently none of the children in residential provision live in Lewisham. The development of some local Council run provision in this sector will allow us as the Corporate Parent to have improved oversight of services in place, greater ability to secure better outcomes for our children and greater control over:
  - cost
  - monitoring the quality of accommodation
  - shape the type of care provided and numbers of support hours needed
  - oversee matching risk assessments
  - provide training and supervision of children's homes staff
  - better control of resident occupancy
  - easier access for local services and partner agencies to provide interventions

- and visit children more frequently.
  - Lewisham can continue to fulfil its statutory duty to provide sufficient accommodation locally for children in care, consistent with their welfare and contributing to our placement sufficiency challenges.
- 1.9 This report should be read alongside the School Premises Houses Asset Review report which is being considered at the same meeting. The plan to develop residential homes is contingent on the decision to agree to the recommendations set out in that report. It will also require Secretary of State approval to change the usage of the current accommodation.
- 1.10 If this proposal is agreed, officers will seek to appoint a suitably experienced project manager, with technical expertise to oversee the setting up of the homes in line with regulations. A Registered Manager will be appointed which is essential to make an Ofsted children's home registration application. The Registered Manager would oversee the three homes in scope in Stage One. Then we will seek to appoint suitably qualified and experienced staff as Lewisham employees, to care for the children in the three homes.
- 1.11 The Capital Programme Delivery Team will be responsible for leading the procurement of a Main Contractor to undertake conversion and refurbishment works at the three sites. The Children and Young People's Directorate in partnership with HR, will be responsible for recruiting and managing a staff group of Lewisham employees to set up and run the homes and ensure the service is delivered aligned to the statutory framework, including the Children's Homes Regulations 2015.

## **2. Recommendations**

It is recommended that Mayor and Cabinet approve:

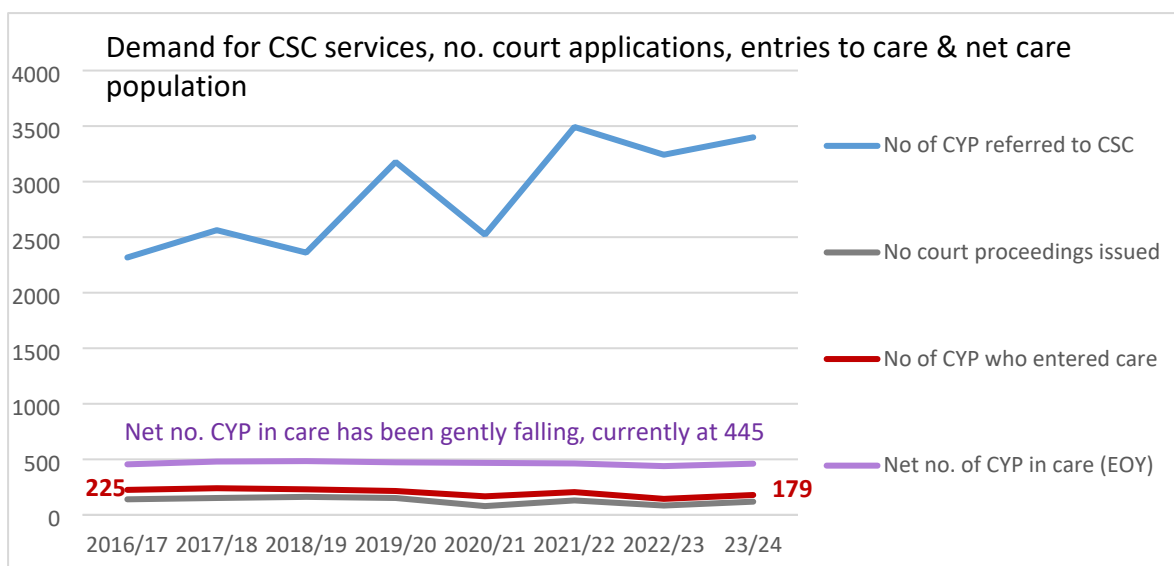
- Delegation of authority to the Executive Director for Children and Young People (in consultation with the Executive Director for Place) to award the refurbishment contract for the three proposed residential homes following the procurement process.
- The commencement of the recruitment process for a Registered Manager to provide technical expertise to set up three children's homes and oversee the management of the three homes, submit a children's home registration application to Ofsted and draft policies and procedures required to run council owned children's homes that meet regulatory requirements.
- The commencement of the recruitment process to appoint the staff team for the three homes.

### **3. Policy Context**

- 3.1 This report aligns with Lewisham's Corporate Priorities, as set out in the Council's Corporate Strategy (2022-2026):
- 1.1. Cleaner and Greener
  - 1.2. A Strong Local Economy
  - 1.3. Quality Housing
  - 1.4. Children and Young People
  - 1.5. Safer Communities
  - 1.6. Open Lewisham
  - 1.7. Health and Wellbeing
- 3.2 This report is closely aligned to our Corporate Parenting and care placement sufficiency duty. Under the Children's Act 1989 section 22G, the Council has a general duty to secure sufficient accommodation within the authority's area which meets the needs of children that the local authority looks after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area - 'the sufficiency duty'.
- 3.3 The provision of registered children's homes is consistent with the Council's Corporate Parenting Strategy and Placement Sufficiency Strategy. One of the six key ambitions of our Corporate Parenting Strategy (2021 – 2024) is "*This is my home*". We pledge that children in our care will know where they will grow up, they will receive good quality care, they will be supported to stay in the same place, and we will do everything we can to help them feel safe and secure. The Placement Sufficiency Strategy sets out what we will do to realise this ambition. It was developed in consultation with service leads, external providers, and importantly our care experienced children and young people.

### **4. Background context - placements for children in care**

- 4.1 Lewisham currently has 445 children in care, 640 Care Leavers (18-25) and a further 290 children who were previously in care but are now being supported (financially and with services) under Special Guardianship Orders. Lewisham has a legacy of a high rate of children in care and care leavers, arising from high levels of need in the borough and the legacy of a lack of investment in prevention and historic practice that required improvement.
- 4.2 Despite increasing levels of demand for children's social care services, the net number of children in care has been gently falling since 2018/19 and new children entering care has been falling over a similar time period. This is in contrast to the national upward trend. More information on how the service has achieved this and the associated financial implications are in Section 6.



- 4.3 There is nothing significantly different about the characteristics of Lewisham’s 445 children in care population compared to the national profile. However, the age profile of our care population has shifted, there are now more older children in care. 67% of children in care are aged over 10 years old and Lewisham has 5% more 16/17 years olds in care than the national average.
- 4.4 Children in care live in a range of different placements, similar to other Boroughs, three quarters of our children live in alternative family-based arrangements, either with Connected Carers (Kinship fostering), Lewisham foster carers or foster carers commissioned through independent fostering agencies (IFAs). The remaining quarter live in either residential care and semi-independent placements. Approximately half of all our 16/17 year olds live in semi-independent housing.
- 4.5 As at July 2024 there were 59 children placed in residential or secure care, compared to 41 in June 2023 (excluding parent and baby provision).
- 4.6 The national market is responding to some degree to the increased demand for care placements, with an upward trend in the number of children’s homes. However the rising care population exceeds the rise in residential provision. Also, homes are not evenly distributed across England. The Northwest of England accounts for a quarter of all children’s homes and almost a quarter of all places. London had the fewest settings at 164, with only 7% of total children’s homes in London.

Nationally	March 2022	2023	Difference
No. children’s homes	2,642	2,880	9%
No. available places	10,133	10,818	7%

## 5. The costs associated with children in care placements

- 5.1 All of the care and post care populations have care related costs, but the key cost driver in care related costs is placements for our children in care. Care placement costs have significantly increased over the last 18 months. Additionally placement providers appetite for risk is low, because of the potential negative impact on their Ofsted registrations. Market forces, inflation and risk aversion have driven up the

cost and have left Local Authorities with very little, if any negotiating power. A recent LGA report noted that there has been a sharp increase in the number of placements costing at least £10,000 per week up from 120 in 2018/19 to 1,510 in 2022/23 with the most expensive recorded placement costing £63,000 per week.

5.2 In March 2022, The Competition and Marketing Authority conducted a national review of the care placements market, in response to concerns that councils were too often unable to access appropriate placements to meet the needs of children in their care, and the cost of such provision was too high. The CMA described the placement market as dysfunctional. It concluded there were significant problems in how it was functioning. Specifically, they found:

- a lack of placements of the right kind, in the right places, means that children are not consistently getting access to care and accommodation that meets their needs.
- the largest private providers of placements are making materially higher profits and charging materially higher prices than would be expected if the market were functioning effectively.
- some of the largest private providers are carrying very high levels of debt, creating a risk of disorderly failure.

[Children's social care market study final report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107212/childrens-social-care-market-study-final-report.pdf)

5.3 The cost of care placements for adolescents tends to be higher than younger children in general but in addition the needs of some adolescents are increasingly complex. This presents in forms of self-harming, challenging behaviours arising from various forms of neurodivergence, missing episodes, serious violence, criminality and exploitation. These more complex adolescents require high intensity care, often in solo placements because of their needs and/or the risk of harm they pose to themselves and others and the high cost of their placements reflects higher risk and intensity of intervention and containment.

5.4 At present Lewisham has no Council run children's homes and a relatively small pool of in-house Foster Carers, internal placement sufficiency is limited, meaning the Council is heavily reliant on commissioned placements from care providers and IFA's for 60-65% of all our care placements.

5.5 The combined effects of Lewisham's high rate of children in care, an older care population, increasingly complex presentations and limited in-house placement sufficiency has made Lewisham particularly vulnerable to the spiralling cost of placements over the last 18 months.

5.6 The increased use of residential care and the cost of these placements in particular has increased significantly. The table below shows this change.

	July 2023	July 2024	Difference
Net no. CYP in care	440	443	+3
No in residential/secure placement	36	59	+23
Average weekly cost of residential care	c£5,200	c£7,200	+£2,000

Full year effect of average cost per child	c£270,000	c£374,400	+c£104,000
Full year effect of average cost for total cohort.	c£9.7m	c£22.1m	+c£12.4m

- 5.7 Actual spend on all residential placements at the end of the 2023/24 financial year was £14m, compared with £10m in 2022/23 financial year. It should also be noted that the average cost in the same period has increased from c£5.2k per week to c£7.2k per week, which equates to a 38% increase. There is no reason to believe that this increase in cost will not continue in the future given how the market is currently operating. It is therefore not unreasonable to expect that in the next two years the average cost of a residential placement costing between c£9k to c£10k per week.
- 5.8 The table above uses average costs, but there is a wide variation, currently the lowest costing residential placement is £1,000 per week and the most expensive is £17,200 per week. The full year effect of the highest cost placement is c£900,000 and typically every child placed in unregistered solo provision costs c£600k per year. One child can make a significant difference to a forecast and spend, which makes the spend in this area highly volatile.
- 5.9 There is a considerable financial impact from the increasingly complex needs of adolescents. We have seen an increase in the number of older children in a placements with a weekly cost of over £10k. This has risen from 2 at the end of the year in 2022/23 to 10 at the end of the year in 2023/24 and at the time of writing this report we have 14 children in placements costing over £10k per week.
- 5.10 For illustration, see table below which shows the weekly and annualised cost of our five highest cost placements.

<b>Weekly cost</b>	<b>Annualised</b>
£17,858	£931,157
£15,621	£814,517
£15,750	£821,250
£17,220	£897,900
£17,587	£917,036
<b>TOTAL</b>	<b>£4,381,860</b>

## **6 Measures being taken to reduce reliance on the external care market, to control and reduce costs.**

- 6.1 There is no silver bullet or one activity that will make a significant difference to the overall placement position. The cumulative effect of a range of measures will over time improve placement sufficiency, quality and reduce overall spend on care. The proposal to build and run children's homes should not be considered in isolation from the range of other measures that are being taken as part of the Placements Sufficiency Strategy. This section summarises what other measures are being taken alongside this proposal.





- 6.2 **Prevention** – For some children it is right for them to come into care for their protection. Care can provide safety, security and be transformational. But for most, they will have better outcomes remaining at home and/or within their extended family network, this is especially true for children who enter care late in childhood.
- 6.3 Through the Children’s Social Care (CSC) improvement programme which commenced in 2018/19, we have invested in prevention, upskilled and stabilised the workforce, improved practice, strengthened management oversight, embedded a practice framework (Signs of Safety) and changed risk management culture. Against the national rising trend of children in care and Lewisham facing increasing demand for social care services, the impact of the whole scale system reform is that over the last 5 years CSC has successfully reduced the proportion of children needing to come into care from 9.7% to 5.2% of all referrals.
- 6.4 In addition to the prevention work that has already taken place the most significant development for prevention is the next phase of the Integrated Adolescent Service (IAS). With the assistance of the DfE Family First Pathfinder grant funding, the directorate is creating an edge of care Family Help team, to target more support towards adolescents in order to reduce the need for their entry to care.
- 6.5 **Permanence planning** - Improving our practice and oversight has been enabling more children to transition out of care either back home or into other permanent options more quickly, for example into special guardianship (SG) arrangements. In 2023/24 the number of SG Orders granted increased from 19 to 36 and we are currently supporting a total of 290 children in SG arrangements who would have otherwise been in care. Whilst these children are no longer ‘in care’ they are not cost neutral, but the cost of supporting these arrangements is significantly lower than care.
- 6.6 **Family & friends care** - Expanding the support in place for connected carers, has supported more children to live with extended family instead of mainstream foster care. This provides better outcomes for children and is marginally less expensive

than mainstream foster care placements. More work is being done with this aspect of care, to further increase connected carer numbers.

- 6.7 **Fostering** – In 2022 we successfully bid for DfE innovation money to set up our Fostering Hub which is a small team of foster carers working as employees to recruit new carers. We have streamlined our onboarding processes to assess and approve carers more quickly and introduced emergency carers. In a highly competitive market we have continued to recruit reasonably well compared to other Boroughs, but there is much more that we are doing to increase our pool of carer's.
- 6.8 **Placement stability** - Strengthening practice to maintain good stability to reduce the number of breakdowns and moves children experience is critical to their outcomes in care and has cost implications. A lack of control over placement breakdown and providers ending contracts at short notice, is a key driver for reducing reliance on the external placement market and running our own children's homes.
- 6.9 **Commissioned placements** – We have reshaped how we search for, match, quality assure and manage commissioned placements over the last two years. By re-structuring the Placements Service with additional capacity, introducing care provider forums to build relationships and identify placements for hard to place children. We have supported providers to seek fast track Ofsted registration where appropriate.
- 6.10 **Care leaver and UASC accommodation** – We have diversified our housing pathway for care leavers, from care into semi-independent accommodation from 16, and into independent housing when they are ready. This includes a development underway for two units in Amersham and Northover. The Amersham unit is being repurposed to create an Ofsted registered semi-independent accommodation for 5 young people in care aged 16/17 who have moderate to high support needs. Northover is a unit for 8 care leavers which provides an extension for our housing pathway. Contracts have been issued to NACRO to run both units on our behalf and they are expected to be operationalised in October 2024
- 6.11 There is a significant amount of management oversight regularly scrutinising high-cost placements and exploring transitional arrangements into family-based care arrangements of lower intensity care as risks and needs reduce.

## **7 Building a children's home - Learning from other Local Authorities**

- 7.1 Until the 1980's Local Authorities, including Lewisham, typically ran a number of large residential homes. Over time as more children entered foster care and following some high profile cases of child abuse in some of these homes, Councils have moved away from running such provision. Although there do continue to be some Local Authority residential homes still operating across the country which are smaller and provide for local children only.
- 7.2 In recent years a number of Councils have opened their own residential provisions and we are aware of others that are in the planning phase. All have done this because of concerns about both quality and cost of some privately run homes and in

order to have greater control of the placements of their children. As part of the preparation for this project, Lewisham contacted other local Councils who have recently opened their homes to learn from their experiences. Two councils in South London which have done this recently are Southwark and Sutton.

- 7.3 In Southwark a key driver was the number of children who they had placed at a distance from the borough and their increasing use of unregistered accommodation. They are opening two new homes with the first one already open. They decided to run the homes themselves as they assessed it would be difficult to find an external partner who would be interested in a public-private partnership. Financial savings was not their primary driver, but rather supporting children closer to home.
- 7.4 The main challenge Southwark faced was recruiting a Registered Manager, although they have now been successful with this. An interim Director of Children's Homes was appointed to provide support through the programme. They have created a staffing structure and rota with a Registered Manager, deputy managers, team leaders and children's home practitioners who each work three 12 hour shifts each week. Staff are also responsible for cooking and cleaning within the house. Southwark also report that they have a strong clinical offer which will be extended to working with staff and children in the homes.
- 7.5 In Sutton their project has been led by a Head of Service with oversight of residential children's homes who is also the Responsible Individual for the home. Their home was a consequence of having to initially set up a bespoke unregistered provision for a specific child with very complex needs and for whom they were unable to find a registered provision for. Sutton described how the home was set up and managed quickly in response to a crisis.
- 7.6 Sutton are planning on opening three homes under a single Registered Manager. Staff work on a ratio of 2:1 staffing at all times with staff working three days on, three days off with a complement of 35 staff across their current sites. Once again staff undertake all cooking and cleaning and a dedicated vehicle has been made available for journeys. They identified that the key advantage of the arrangement has been both an improvement in child outcomes and better control of spend.
- 7.7 Following initial set up costs, both Councils are assuming a broadly cost neutral position in running their own homes.
- 7.8 In Lewisham the current working assumption is that the provisions will be available for our children who have the most complex needs and who typically are placed, at least for a time, in an unregistered provision, which could be some distance from Lewisham. Further details on assumed running costs can be found below.
- 7.9 If each provision only supported a single child with 2:1 staffing cost then compared to current costs this would be broadly cost neutral. If for at least some points in the year a second child was placed in the two proposed homes with physical capacity then there would be a cost saving. If however a single child was placed in a home for an extended period with 3:1 support then there is the potential for increased costs. Further details about our plans are below.

## **8 Options appraisal**

- 8.1 Option 1: Do nothing and continue purchasing all children’s residential placements in the external marketplace, through the Commissioning Alliance or spot purchased.
- 8.1 Option 2: Create in-house Lewisham homes, repurposing existing assets, owned and managed by Lewisham employed staff.
- 8.2 Option 3: Create partnership Lewisham homes, repurposing existing assets, to be managed and staffed externally via competitive tender, strategic operating partner.
- 8.3 Appendix A is a summary of the advantages, disadvantages and risks considered in the options appraisal. The options appraisal broadly seeks to understand the optimum arrangement for improving outcomes through placement provision for our children in care and maximising effective use of Council resources. This is done against 5 criteria: Cost, Choice, Control, Workforce and Expertise.
- 8.4 Based on the above criteria it is recommended that the Council chooses option 2, with an incremental staged approach. Starting with 3 units in Stage 1.

## 9 The proposal to develop three children’s homes in Stage 1

- 9.1 A business case was developed and approved by the Children & Young People’s Strategic Asset Board, linked to the opportunity to repurpose existing and vacant School Premises Officer housing. This has the advantage of requiring only limited capital costs which would be funded by the disposal of properties that are no longer required. It is proposed to develop a three staged incremental approach to creating an estate of 10 beds (with each stage taking on learning from the previous stage):

Unit	No. of homes	No. beds per unit	Total no. beds in estate	Phase of development
Unit 1, 2, 3	3	1-2	5	One
Unit 4, 5	2	2	4	Two
Unit 6	1	3	3	Three

- 9.2 The Council has undertaken an asset review and identified buildings and sites that can create greater value, through redevelopment, disposal, strategic service use or commercial use. The Asset Review identified the three potential sites as being suitable and available for refurbishment and development as children’s residential homes. An options appraisal was undertaken on each site to ensure all potential uses for the sites were considered. More detail is provided in the School Premises Officer Houses Asset Review report which is also being considered by Mayor and Cabinet.
- 9.3 The table below provides information about the three Council owned sites identified for the first stage of this programme. Site 1 and 2 is for the provision of a registered two bed children home, with the plan that they will initially be used for solo provision, with the option to use two beds if the needs of children meet the criteria. Site 3 is for the provision of a solo provision due to bedroom space available.

- 9.4 It is proposed that the three properties will be refurbished and remodelled to provide the accommodation needed for both cohorts, as well as the staffing support required for each site. If the proposal is approved, Secretary of State approval is required to reuse the identified assets for a different purpose.
- 9.5 Building refurbishments will ensure that all sites are fit for purpose, the service and support activities can run efficiently and effectively and will also ensure that the buildings meet current building, fire and energy efficient standards. The Capital Programme Delivery team are leading on these capital works.
- 9.6 The project will be governed by a Children’s Residential Board, as part of existing Sufficiency Board Chaired by the Executive Director to track implementation and ongoing performance.
- 9.7 An interim project lead will be appointed to design the specification of all three homes to meet Children Homes Regulations 2015 and provide the technical expertise required to set up and run the homes to meet these regulations. Work with HR Corporate partners in HR and finance will commence to draft and evaluate necessary job descriptions and secure the budget to run these homes in house, including the budget for staff and running costs.
- 9.8 The first stage for registration is to appoint a Registered Manager, required before any registration can be submitted to Ofsted. A Responsible Individual will be appointed within the current Head of Service group in the Children and Young People Directorate. Then we will seek to appoint suitably qualified and experienced staff as Lewisham employees, to care for the children in the three homes.
- 9.9 The properties identified for refurbishment are in locations considered to be lower risk within the borough. Any safeguarding risks in relation to children going missing and understanding local intelligence about risk can be better managed with local partners, rather than being dependent, for example, on other police forces. It is anticipated that having children closer to home and living in their communities is generally in their best interest as local services can mobilise protective factors including family and friends’ networks.

<b>Site 1: 2 beds</b>	<ul style="list-style-type: none"> <li>• 2 bedrooms for children</li> <li>• Shared kitchen, living and laundry facilities</li> <li>• Bathroom for children</li> <li>• Staff on site 24 hours</li> <li>• Staff facilities and bedroom</li> <li>• Communal living/ dining area</li> <li>• Office</li> </ul>
<b>Site 2: 2 beds</b>	<ul style="list-style-type: none"> <li>• 2 bedrooms for children</li> <li>• Shared kitchen, living and laundry facilities</li> <li>• Bathroom for children</li> <li>• Staff on site 24 hours</li> <li>• Staff facilities and bedroom</li> <li>• Communal living/ dining area</li> <li>• Office</li> </ul>

<b>Site 3 : 1 bed</b>	<ul style="list-style-type: none"> <li>• 1 bedrooms for children</li> <li>• Shared kitchen, living and laundry facilities</li> <li>• Bathroom for children</li> <li>• Staff on site 24 hours</li> <li>• Staff facilities and bedroom</li> <li>• Communal living/ dining area</li> <li>• Office</li> </ul>
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## 10. Proposed management of these homes and placements

- 10.1 Should agreement be given to progress with Lewisham owned and run children's homes, a Registered Manager will be appointed in Children and Young People Directorate to oversee all three sites under one Ofsted registration, in line with the approach in Sutton. The Children and Young People Directorate propose to directly manage the three homes once refurbished and will be responsible for employing the required staff, ensuring they receive appropriate training and supervision. In addition, early discussion has taken place with Health colleagues regarding a clinical offer for the children.
- 10.2 Staff in the homes will be trained alongside other Lewisham Children and Young Peoples Directorate workforce and will be part of the wider workforce with opportunities for career development. With the Family Pathfinder initiative the workforce development offer for social care staff is being extended to provide learning for non-social work staff. The residential care staff will be able to benefit from this resource building a strengthened workforce, resilience, and skills in house.
- 10.3 Management of the bed spaces in these homes will involve an internal referral process, followed by a careful matching of risk and needs assessment and clear placement planning, prior to entering placement which is then regularly reviewed to transition to another less intensive care arrangement.
- 10.4 Sites 1 and 2: Referrals to this provision will be for children looked after under 18 with a range high support needs who need to live in a solo placement, with the option that a second child may be placed, depending on matching their needs to ensure they can safely live alongside each other. There will be staff on-site 24 hours with waking night cover in place.
- 10.5 Site 3: Referrals to this provision will be for a child looked after under 18 with a range high support needs, who needs to live in a solo placement. There will be staff on-site 24 hours with waking night cover in place.
- 10.6 Once the homes have been opened there will be monitoring through the quarterly Children & Young People's Performance Board of how successful the homes are in supporting the target cohort of children into longer term placements that do not require such a high level of support. On-going financial monitoring will also take place to ensure that costs are tracked in relation to the assumptions set out in paragraph 11.2 below. The newly opened homes will also be subject to

regular inspection by Ofsted which will provide us with an external perspective on quality.

## 11.0 Financial implications

### 11.1 Set up costs (capital spend)

The total cost of the project will be £307k, which will be funded through capital receipts held by the council. This project will require a project initiation document (PID), which will need to be approved at the Regeneration & Capital Programme Delivery Board (RCPDB), before being added to the Capital Programme.

11.2 This project will be monitored as part of the wider budget monitoring of the Capital Programme & will be reported on at (RCPDB) as well as in the council's monthly budget monitoring reports.

11.3 Although the estimated costs to refurbish the properties are seen to be prudent, there is a risk that the costs are higher than estimated. This would increase the call on the council's capital receipts, which could otherwise be used for alternative capital projects.

### 11.4 Running costs (revenue) 3 children's homes – Stage 1

The report considers options relating to provision for high cost children and recommends Option 2 which is to "Create in-house Lewisham homes, repurposing existing assets, owned and managed by Lewisham employed staff".

11.5 The business case notes the establishment of 3 in-house provision with could accommodate between 3-5 children, depending on their needs, which will determine the associated cost, and therefore cost avoidance. The number of children that can be placed in the provisions will vary depending on their needs. It should be noted that the key cost driver is the ratio of carer to child.

11.6 The running costs of the 3 homes, with the capacity for 5 children in Stage 1 are modelled in three scenarios/routes depending on the degree of complexity of the children placed and the different staffing ratio's required. The tables below can only be used for exemplification as there are several variables e.g. enabling costs, actual need of the child, the anticipated increased cost in private sector etc.

**Route 1 - STANDARD COMPLEX CARE ARRANGEMENT**

**Route 2 - MEDIUM COMPLEX CARE ARRANGEMENT**

**Route 3 - HIGH COMPLEX CARE ARRANGEMENT**

11.7 The exemplification is based on current prices and therefore a prudent position. The expectation is that the cost of commissioned residential placements will continue to increase, which should see larger cost avoidances on the standard and medium options, with the high-complex also then potentially delivering cost reductions.

<b>ROUTE 1 - STANDARD COMPLEX CARE</b>	<b>5 months</b>	<b>7 months</b>	<b>Total</b>	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>	<b>Total</b>
	<b>on boarding</b>	<b>Sept start</b>					<b>over</b>
	<b>2025/26</b>	<b>2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>4 years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
No.of children	0	5	5	5	5	5	
Staffing related cost	239	1,711	1,950	2,932	2,932	2,932	10,747
Operating Cost	15	50	65	85	85	85	321
<b>Total Cost</b>	<b>254</b>	<b>1,760</b>	<b>2,014</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>11,068</b>
Cost of children in externally commissioned placements £16k pw		2,433	2,433	4,171	4,171	4,171	14,948
<b>Surplus /Deficit</b>			<b>419</b>	<b>1,154</b>	<b>1,154</b>	<b>1,154</b>	<b>3,880</b>
<b>ROUTE 2 - MODERATELY COMPLEX CARE</b>	<b>5 months</b>	<b>7 months</b>	<b>Total</b>	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>	<b>Total</b>
	<b>on boarding</b>	<b>Sept start</b>					<b>over</b>
	<b>2025/26</b>	<b>2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>4 years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Number of Children		3	3	3	3	3	
Staffing related cost	500	1372	1873	2352	2352	2352	8930
Operating Cost	21	50	70	85	85	85	327
<b>Total Cost</b>		<b>1,422</b>	<b>1,422</b>	<b>2,438</b>	<b>2,438</b>	<b>2,438</b>	<b>8,735</b>
Cost of children in externally commissioned placements £18k pw		1,512	1,512	2,816	2,816	2,816	9,959
<b>Surplus /Deficit</b>			<b>90</b>	<b>378</b>	<b>378</b>	<b>378</b>	<b>1,224</b>
<b>ROUTE 3 - HIGH COMPLEX CARE</b>	<b>5 months</b>	<b>7 months</b>	<b>Total</b>	<b>12 months</b>	<b>12 months</b>	<b>12 months</b>	<b>Total</b>
	<b>on boarding</b>	<b>Sept start</b>					<b>over</b>
	<b>2025/26</b>	<b>2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>4 years</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Number of Children		3	3	3	3	3	
Staffing related cost	718	1,880	1,880	3,222	3,222	3,222	11,547
Operating Cost	21	50	70	85	85	85	327
<b>Total Cost</b>	<b>739</b>	<b>1,930</b>	<b>2,668</b>	<b>3,308</b>	<b>3,308</b>	<b>3,308</b>	<b>12,591</b>
Cost of children in externally commissioned placements £20k pw		1,825	1,825	3,129	3,129	3,129	11,211
<b>Surplus /Deficit</b>			<b>-843</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-1,381</b>

- 11.8 **Route 1 – Standard Complex Care Arrangement:** This is the most cost effective route, reducing the cost for the council by circa £3.9m over a 4 year period. In reality the saving is likely to be higher as the cost of placing children in private residential care is expected to continue to increase at levels much greater than inflation.
- 11.9 **Route 2 – Moderately Complex Care Arrangement:** This is the second most cost effective, reducing the cost for the council by circa £1.2m over a 4 year period.
- 11.10 **Route 3 – High Complex Care Arrangement:** This option currently shows a possible cost pressure of circa £1.3m based on the current cost of external placements and/or bespoke unregistered arrangements currently in place. However as stated above, we anticipate the cost of external placements costs to increase significantly.
- 11.11 It should be further noted the new homes initiative is a 3-stage process with Stage 1 being development of 3 homes with a maximum occupancy of 5 children. The report recognises the pressure in Children Social Care Budget arising from high-cost care placements made in externally commissioned residential homes. The report further notes the ongoing increase in price e.g. average cost increasing



from c£5.2k to c£7.2k, a 40% increase in cost. The price increases are a consequence of various reasons referenced earlier in the report.

11.12 The report further notes that the number of children requiring high-cost provision is also continuing to increase. As part of considering opportunities to reduce cost, the service is keen to develop as much in-house provision as they where it is more cost effective to do so, to meet increasingly complex presentations. This would enable the service to have some degree of control over price, mitigating the risks associated with future price increases.

11.13 Additional risks for consideration. It should be noted that the revenue financial implications have not been tested for the following areas:

- Level of voids – the forecasting is based on the children being in the provision for a full year. there are various reasons which could result in the property remaining “void”, during that period the service would incur market rates. Example of this could include refurbishment or transition time between end of existing placement to settlement at this provision, or managing turnover of children moving into and on from these placements. Based on the likely costs of the children placed at this provision it could range from circa £15k to £20k per week (based on current pricing).
- The sufficiency of some of the operating cost, e.g. repairs and maintenance. A provision has been suggested of between £10k - £20k (per property).

11.14 Finally, in the unlikely event that the new homes cannot be used for supporting children in care, the council would need to consider options for re-purposing the properties e.g housing stock etc

## **12.0 Equalities implications**

If the proposal is agreed a full equalities impact assessment will be conducted as part of this programme.

## **13.0 Climate change and environmental implications**

The reduction in transport required to support children who live some distance to Lewisham will have a positive impact.

## **14.0 Crime and disorder implications**

Council run homes based in the locality are anticipated to enable the service to better manage children and young people being engaged in criminal and sexual exploitation.

## **15.0 Health and wellbeing implications**

Council run homes based in the locality are anticipated to enable the service to meet the health and wellbeing needs of our children as their corporate parent as we will have better working arrangement with local partners.

## **16.0 Report Author and Contact**

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## **17.0 Appendices**

Appendix A: Options Appraisal & risk assessment from Business Case.  
Appendix B: Running costs workings

## **APPENDIX A**

### **Options appraisal & risk assessment for delivery of children's residential care provision Stage One**

#### **Option 1: Do nothing and continue with the current purchasing arrangements.**

The council could do nothing and allow the sector to continue to develop independently. This would not address the legal duties and not address issues related to outcomes set out in this report. It would be highly unlikely to lead to local provision being created given that despite the increased number of children in care, interest from the private sector in the London region on developing additional provision has been low. Increased costs of provision are also highly likely given the inflationary pressures we have experienced in the last two years.

#### **Option 2: Create in house / LBL owned, managed and staffed units.**

The drivers for creating an in-house provision are:

- Better control of cost and thus efficiency.
- Better choice of placements.
- More control about both the type of units to meet the needs of their children and the type of children we can support in those units.
- Creating local provision for Lewisham children currently in residential placements, for most children, local placements offer clear benefits including better connections with family and local services to support their needs.
- Better outcomes are more likely for children from Black and ethnically diverse groups if placed in or nearer the borough. Children from these backgrounds faced significant disadvantage both in terms of their identity and their education associated with their placement at a distance when compared to their White counterparts. Having provision locally will help address this imbalance and improve outcomes for these children.
- An offer of wraparound/ reach-in support to meet the needs of children that links into existing the services within Lewisham, including partnerships with education and health with potential for joined up services with SLAM to consider how the mental and emotional health services can be delivered in partnership with Lewisham, and be mobilised and directed to these provisions, with potential to secure ICB funding contribution.
- Use of Lewisham's existing workforce development offer to provide training and development opportunities for residential care staff, including joint training with children's social work teams.
- This will ensure a secure base of care and support for our children, that staff are trained and skilled in being attuned, attentive, and sensitive to our children. Our care offer will be collaborative, with our children able to choose and work towards goals that are important and meaningful for them, and to have a say in the types of support and interventions that are used to achieve those goals. Importantly, our children are actively involved in tracking and evaluating how things are going for them. Potential to create closer partnership with Lewisham fostering service to provide step down into family settings.

Running our own home however does bring some potential financial and operating risks.

**Cost:** Providing children's residential care services for children with the highest levels of need in house may not be more cost effective than purchasing individual placements for children, based on current costs, but the cost of future provision is expected to rise further,

and we have experienced soaring costs over the last 18 months. Even though more homes are available within the independent market, we have no control on how the market may develop.

A review of data has been undertaken, to understand the relative cost implications of in-house provision. Comparing with our financial data suggests that from a cost perspective providing solo placements in house, based on current costs will cost more if they continue to operate solo placements with high staffing levels 24/7, but the costs would be reduced if two of the proposed placements can accept at least a second child. Cost alone should not steer the decision, other factors need consideration.

**Choice:** Providing some children's residential care services in-house will give us more choice around placement options for children with complex needs. It could allow us to rapidly mobilise local support for children who needed it. There is the potential to involve the ICB in developing homes and secure a contribution to staffing costs e.g., through employing a clinician as part of the staff team.

Whilst we would never inappropriately pressure a Registered Manager about the admission of a specific child, or terminating a placement, LBL run homes will give greater ability to influence this, and address quickly any concerns, because of the potential to mobilise necessary local support more quickly from partners and be more confident that the Registered Manager and staff are better trained and supervised to manage complexity.

This project includes the option to provide at least one emergency residential bed within the estate. Current residential care provision does not offer emergency bed provision. All our procurement of residential care placements is for planned placements. The current external provision does not offer an emergency response.

**Control:** This is particularly helpful in preparing children to transition from residential care provision safely and sustainably into other forms of less supported accommodation, be that home, foster care, or semi-independence arrangements.

We believe that sometimes residential providers fail to support move on plans, preferring children to remain in their residential unit and it is harder to influence day-to-day intervention from children's homes to undertake the necessary preparatory work with children to support a step-down move.

Providing children's residential care services in house would assist the council to ensure that children's plans can better adapt to reflect their growing maturity and readiness for greater independence.

The issue of control provides the opportunity such that if the needs of the local children in care population changed, the purpose of the home could be changed more easily with less third-party negotiations required.

We could be creative with our provision, amending the Statement of Purpose registration terms more easily and with a Registered Manager/s covering more than one child's home, could support change of regulations, and also provide opportunities to open satellite units attached to the larger children's home (phase 2&3)

**Workforce:** There are concerns about staffing, especially for the role of Registered Manager, due to a recognised national shortage. This can be the single biggest issue to the successful running of a children's home and a registered manager must be permanently employed to begin the setup and Ofsted registration process.

This challenge can most successfully be managed by offering a good remuneration package with local authority terms and conditions, supervision and training, an attractive proposition for an experienced Registered Manager and residential key workers who are in the private sector at present. There may be opportunities to recruit from our own workforce, but this would still require successful external recruitment.

**Expertise:** We would be able to engage with the Children's Homes Association to utilise national knowledge and experience to develop expertise within the council, should an in-house service be developed. In addition, with the increase in London council run residential homes there is discussion at present within the Association of London Directors of Children's Services to develop a pan-London workforce development offer. For Lewisham, recruiting a Registered Manager at the earliest opportunity and growing the teams, knowledge and skills base is paramount for success.

Early recruitment of the team allows for shared training and development around the agreed ethos and operating model and can be tailored to meet the needs of a particular child identified for the provision.

There is limited recent experience within Lewisham of developing and delivering children's residential care provision. There may be existing staff who have worked in children's residential care including in the position of Registered Manager.

### **Option 3: Lewisham owned homes / externally sourced provider via competitive tender for a strategic partner.**

**Cost:** We anticipate it may be cheaper for a provider rather than the council to run the home, subject to commissioning calculations, assuming that the remuneration package of staff will be cheaper than Lewisham employed staff.

Providers will have an existing workforce who should be suitably trained and available to begin work and therefore assume need less time to develop a staff team in the pre operating / set up stage.

Budget control managed through contract award.

This would require investment from procurement and commissioning with robust contract management arrangements established.

Through having an existing suitably trained workforce, the time to set up and operationalize the project is assumed to be shorter, although it should be noted that the approach that we used at Northover and Amersham did include significant delays.

**Choice:** Careful work would be required in negotiating admissions and throughput in the unit, including notice to terminate placements in either a planned or an emergency way.

Overall, what should be concluded in relation to choice is that any such outsourcing arrangements with a strategic partner will take time to develop and benefit children.

A strategic partnership will require significant work to be productive, including the development of capacity and expertise within the council to manage this well. The impact on choice might be limited, although there is the distinct advantage of the property location and access to services.

Through a private / public partnership, this removes the additional resource burden across council to support staffing and the wider infrastructure, HR, IT and FM.

**Control:** Even with a carefully developed service specification, robust support and contract management, control with this model of operation in the children's home may not fully align with the way our children's social care services work. The ethos and way of working of the provider could be different and cause some tension despite any good relationships.

The council is about to embark on this model for the provision of 16 and 17 supported and care leaver accommodation. It is too early to assess the success of managing such an arrangement and managing a children's home is more complicated.

**Workforce:** The benefit of using an experienced provider is they bring expertise and experience to the task by using their own model which has been tailored in numerous other children's homes across the country.

Engagement work with children's residential care providers shows that they are aware of the challenges of attracting and retaining staff, and particularly the issues around recruitment of Registered Managers. Good providers have developed bespoke training and other continuous development programs. Some providers report they are of sufficient size to be able to draw on bank staff and/or move staff around to meet any staffing gaps.

**Expertise:** A strategic partner would bring sector expertise including detailed knowledge and experience to any arrangement, having run different models of care from different locations. They would have established policies, processes, procedures, and staffing structures that would in principle be easily adaptable to any new provision in the borough.

### **Other factors to consider**

**Control:** Both options, in house, and a private /public partnership, should provide improved budget control. The costs of spot purchased placements are based on current costs and future costs are unknown. Our recent experience shows cost can change suddenly, and often by large increases due to providers insisting on a increasing a staff team to manage risk. The disadvantage of using an external provider is that ultimately it is their decision if a child is accepted and not ours.

In addition, given how the market currently operates and taking advice from Councils that have set up new residential provision recently, there is some doubt that a private provider would enter into an agreement with the Council on our terms. The sector already has the ability to open new homes, although this is mainly outside of London. From a profit perspective there is little incentive for a provider to enter into an agreement with the Council which would constrain in any way their choice on the children to be supported and

the charge they can make for this. If we were to attempt to set up a Public-Private initiative and this is unsuccessful there will be further delay before a new home can be opened.

**Location and property:** The advantage of using existing assets includes:

- Access to council owned properties and additional funds for purchasing new property in Stage One is not required.
- Identified properties are in good state of repair requiring some refurbishment without need for extensive redesign or build.
- Greater opportunities to secure planning permission
- Selected properties are in areas considered suitable and safe locations for vulnerable young people.
- Properties have outside space and are detached.
- Using existing assets presents a lower risk to start the residential care project. If the project is not successful, or demand changes, the asset remains with the council.
- Using existing assets provides a shorter timescale to complete refurbishment and have children's homes operating.
- Starting with solo provision means there is lower risk in having to manage voids, which can occur when there are matching considerations for children in group homes.
- Beginning the project with solo homes, offers the council the opportunity to develop its knowledge and skill in running in-house provision, or managing an externally sourced provider to do this, starting small to manage this significant programme of change.

## Risk Assessment

The development of in-house children’s residential care provision is multi-faceted and complex. There are accordingly a range of risks which may arise both pre and post the operationalisation of our provision. Some of these are described in the review above, all will need to be monitored and managed. The table below identifies the key risks, highlighting the potential likelihood and impact in each case and setting out potential mitigation and control measures.

<b><u>Risk</u></b>	<b><u>Mitigation/ Control Measures</u></b>	<b><u>Impact</u></b>
<b>Staff Recruitment &amp; Retention</b> <ul style="list-style-type: none"> <li>• Competition in the market for appropriately qualified staff</li> <li>• HR capacity to manage launch recruitment and on boarding off staff.</li> <li>• HR capacity to manage ongoing staff management.</li> <li>• Increase likelihood of managing allegations and impact on Lewisham LADO</li> <li>• Requirement and resource for senior management leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Early development of a fully costed and resilient staffing structure.</li> <li>• Extended timeline for mobilisation for recruitment to key posts.</li> <li>• Phased implementation plan, starting with x 3 solos.</li> <li>• Competitive recruitment and retention package for key management positions</li> <li>• Internally delivered supervision and learning and development programme</li> </ul>	High / Medium
<b>Operational Performance</b> <ul style="list-style-type: none"> <li>• Scope for poor or inconsistent operational performance leading to impact on staffing costs</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced supervision and management oversight of staff team</li> <li>• Early engagement of ICB SLAM to contribute to staff team and provision of clinical services for CYP and staff group.</li> <li>• Set up Children’s Residential Board, as part of existing Sufficiency Board Chaired by Exec Director to track implementation and ongoing performance.</li> <li>• Joint learning &amp; development programme for children’s social workers and residential staff</li> <li>• Fast mobilisation of education / employment / training offer</li> <li>• Partnership working with community-based services and police to manage any risks.</li> </ul>	Low
<b>Ofsted Registration</b> <ul style="list-style-type: none"> <li>• Delays or issues with registration leading to extended mobilisation period</li> </ul>	<ul style="list-style-type: none"> <li>• Early engagement with Ofsted and DfE on plans for in-house delivery</li> <li>• Engagement with partner authorities on registration process</li> <li>• Detailed review and project plan on requirements for successful registration</li> </ul>	Low
<b>Occupancy</b> <ul style="list-style-type: none"> <li>• Phase One, providing solo provision removes management of voids and matching considerations</li> </ul>	<ul style="list-style-type: none"> <li>• Existing review of children in residential and pre-planning appropriate moves to in-house provision</li> <li>• Rigorous oversight by senior managers of all children entering residential.</li> </ul>	Low



## APPENDIX B – Running Costs possibilities of the 3 homes in stage 1.

	ROUTE 1 - STANDARD COMPLEX CARE Modelled on 5 occupants and 8 staff H1 & H2 has 2 children per home, with 3 staff H3 1 child with 2:1 staffing				ROUTE 2 - MODERATELY COMPLEX CARE Modelled on 3 occupants and 6 staff 1 child per home, each with 2:1 staffing.				ROUTE 3 - HIGH COMPLEX CARE Modelled on 3 occupants and 9 staff 1 child per home, 3:1 with only ONE resident at <u>each</u> home.			
Children's home	Home 1	Home 2	Home 3	TOTAL	Home 1	Home 2	Home 3	TOTAL	Home 1	Home 2	Home 3	TOTAL
No of beds	1-2	1-2	1	5	1-2	1-2	1	5	1-2	1-2	1	5
No.of children	2	2	1	5	1	1	1	3	1	1	1	3
Staffing related cost	1,081,457	1,081,457	769,416	2,932,330	791,457	791,457	769,416	2,352,330	1,081,457	1,081,457	1,059,416	3,222,330
Operating Cost	29,800	29,800	16,800	76,400	29,800	29,800	16,800	76,400	29,800	29,800	16,800	76,400
<b>TOTAL RUNNING COSTS OF EACH ROUTE</b>	£ 1,111,257	£ 1,111,257	£ 786,216	£ 3,008,730	£ 821,257	£ 821,257	£ 786,216	£ 2,428,730	£ 1,111,257	£ 1,111,257	£ 1,076,216	£ 3,298,730
<b>COMPARISON COSTS AGAINST CURRENT TYPICAL COSTS OF EXTERNALLY COMMISSIONED RESIDENTIAL PLACEMENTS</b>												
Current typical cost of a residential placement per week, per child				£16,000 Standard complex				£18,000 Moderately complex				£20,000 Highly complex
Current typical cost of a residential placement per year, per child				£ 834,286				£ 938,571				£ 1,042,857
TOTAL current typical cost of residential placements for the same number of occupants in each option.				£4,171,429 5 children/occupants				£2,815,714 3 children/occupants				£3,128,571 3 children/occupants
<b>COST DIFFERENCE</b>				£1,162,699				£386,985				-£170,158
<b>ADDITIONAL NOTES</b>	H1 and H2 is different to H3 because they are bigger than H3											
	H1-H3 same cost for chef because the no of children is ONE.staff may do the cooking.Also to note - main staff may do the cooking.											