

CYNGOR GWYNEDD - Report to Cyngor Gwynedd Cabinet

Title of item:	Budget virement for development of Small Group Homes scheme
Cabinet Member:	Councillor Elin Walker Jones
Relevant Officer:	Aled Gibbard, Assistant Head of Resources, Children and Supporting Families Department
Date of meeting:	14 th May, 2024

1. Decision sought:

1.1 The Cabinet is asked to authorise a permanent financial transfer of £454,580 from the out-of-county residential placements budget for the funding of internal provision as part of the development of the Small Group Homes scheme.

2. The reason why the Cabinet must make the decision:

- 2.1 The Council's financial procedures allow money to be transferred between headings in a department's budget. The Cabinet's consent is required for the transfer of an amount above £200,000.
- 2.2 For the purpose of registration with CIW the posts in the home need to be on a permanent basis, and therefore a permanent budget is required in order to establish the posts on the Council's structure. Please note that a grant of £255,000 has been acquired and therefore very little expenditure will be made against the budget in the first financial year.

3. Introduction and Rationale

3.1 Background / Introduction

- 3.1.2 Section 75 of the Social Services and Well-being (Wales) Act 2014 ('2014 Act') places a duty on local authorities to ensure adequate accommodation to meet the needs of their looked after population. Section 81 of the 2014 Act requires local authorities to ensure that placements are made in their own area unless it is not reasonably practicable to do so. Code of Practice Part 6 (Looked after and Accommodated Children) states that authorities must offer a range of accommodation to meet different needs.
- 3.1.3 The current Welsh Government Programme for Government 2022-2027 contains a number of commitments that describe a new vision to transform children's services. The vision includes reducing the number of children who come into care where possible. Where a child needs to be placed in care, they will need to be close to their family and community. Developing this scheme is therefore a key part as part of the

Council's plan of finding ways in which children and young people can be accommodated and looked after closer to their home, so that they can continue to be part of their community and maintain their support networks.

- 3.1.4 In addition, the Government is also committed to abolishing private profit from the care of looked after children. They have made a commitment to rebalance the market so that the duties on local authorities in relation to looked after children are not contracted out to for profit companies but remain with public sector and not for profit providers. The intention is to introduce a statutory basis to remove profits from the care of looked after children in order to develop services that are locally based, locally planned and locally accountable; which improves the care experience for young people and enables further investment in such Services.

3.2 The rationale and justification for recommending the decision

- 3.2.1 Developing our own residential provision through the Small Group Homes Scheme is a priority in the Council's Plan for 2023-28.
- 3.2.2 Our Placement Strategy for Children in Care addresses the range of placement provision we need to fulfill our statutory duties. The Fostering Wales programme is already being implemented through the National Fostering Framework. Over 80% of fostering placements in Gwynedd are provided through our internal provision.
- 3.2.3 We do not currently have residential provision for children in care. All placements are provided through external providers, of which 92% are with private providers (8% in the third sector).
- 3.2.4 76% of current residential placements are outside Gwynedd (46% in North Wales and 30% outside Wales). The average number of residential placements by Gwynedd over the last year is 20.
- 3.2.5 The demand for residential placements nationally is high and the current supply does not meet the demand. As a result local authorities are now in a situation where there are unregistered care settings. Over the past year Gwynedd has had 4 arrangements of this type and there is a tendency for these arrangements to be more expensive than a normal residential placement.
- 3.2.6 At the end of the 2023-24 financial year, expenditure on out-of-county residential placements was £6 million, with a significant overspend above the budget of £5.53 million. The cost of an individual placement varies from provider to provider and as a result planning and managing the budget can be an unpredictable task. In addition, the budget for out-of-county residential placements represents over 50% of the entire budget for placements of children looked after.
- 3.2.7 In developing this plan there is an opportunity to save costs. The current average annual cost of a residential placement is £330,000. Through setting a budget of £454,580 in accordance with this application, a potential annual saving per Small Group Home is around £215,000 with 2 children in placement.

3.3 Next steps

- 3.3.1 The background work of developing policies and working towards the registration of the home with the Care Inspectorate for Wales (CIW) is already underway. It is intended to submit the registration application before the end of June. Subject to the decision of the Cabinet, an advertisement for the position of Registered Manager will be released as soon as possible, followed by advertisements for the rest of the staff before the end of May.

4. Views of the statutory officers

4.1 Chief Finance Officer

- 4.1.1 There was an overspend of £1.5 million on out-of-county placements by the end of the 2023/24 financial year due to budget pressures, with recent increased use of unregistered locations being one of the main reasons for this overspending. Developing our own provision will help reduce the Council's current costs in this area and I therefore support the decision sought.

4.2 Monitoring Officer

- 4.2.1 No observations to add in relation to propriety.