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Cymdeithasol, y Trefnydd a'r Prif Chwip  
Cabinet Secretary for Culture and Social Justice, Trefnydd and  
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Llywodraeth Cymru  
Welsh Government

Dawn Bowden AS/MS  
Y Gweinidog Gofal Cymdeithasol  
Minister for Social Care

Buffy Williams MS  
Chair  
Children, Young People and Education Committee

6 September 2024

Dear Buffy,

Thank you for your letter of 18 July 2024, concerning the Committee's current inquiry into "children and young people on the margins" and work that is being undertaken by the Welsh Government to support missing children and criminalised children and young people.

#### Missing Children's Toolkit:

Firstly, with regards to the Missing Children's Toolkit, I can confirm Welsh Government has provided funding to the organisation Missing People for the 2024-25 website costs associated with the Missing People toolkit. We will also pay the website costs for the next two financial years.

We are pleased to note the positive feedback regarding the toolkit which has helped inform our commitment to ongoing funding. We believe that the funding for the toolkit will allow partner agencies to continue using the resource as part of better multiagency working to ensure that no child or young person is missed, or "falls through the gaps".

#### Funding for Hillside Secure Children's Home:

In terms of funding at Hillside, this is a complex issue as unlike England, Hillside is the only such facility in Wales. In terms of your questions to address:

#### **Question 1:**

**Clarify the funding arrangements for Hillside Secure Children's Home (both revenue and capital), including in relation to funding for education and health services for children at the home.**

Welsh Government is committed to ensuring that Hillside operates to the highest standard and we are aware of the difficulties Hillside and Neath Port Talbot County Borough Council (CBC) have faced in recent years relating to the running costs and maintenance costs of

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Hillside. The table below outlines the considerable capital funding that has been provided to Neath Port Talbot CBC for Hillside since 2009:

2009/2010 and 2010/2011	The building of four additional bedrooms onto existing bedroom corridors within two of the existing living units, building of new workshops to facilitate expansion of Hillside's educational capacity and modification of existing structures within the unit to allow development of new office, storage and training facilities.	£1,200,000
2019-20	<ul style="list-style-type: none"> <li>• Refurbishment of all bedrooms;</li> <li>• Installation of signs of life cameras;</li> <li>• Changing view finder panel and doors;</li> <li>• Installation of a fob system for all internal doors;</li> <li>• Interactive TV based reward system;</li> <li>• Upgrade of CCTV;</li> <li>• Creation of a performing arts space, training room, and upgrade to gym;</li> <li>• 4 original bedrooms to be turned into well-being spaces for young people and the staff;</li> <li>• Visitors flat to be turned into a resettlement flat;</li> <li>• Redesign of the garden area;</li> <li>• Replacement of astro turf with a 4G pitch;</li> <li>• Improvement of acoustic environments to assist with autistic spectrum disorders;</li> <li>• Refurbishment of the classroom areas; and</li> <li>• Update of reception.</li> </ul>	£2,000,0000
2021-2022	To carry out further improvements to Hillside Secure Children's Home, following the current refurbishment work on the young people's living spaces and staff sleep-in rooms.	£480,000
2024-2025	Towards the total cost of £580,000 (yet to be sourced in full) for the alterations, changing one large area (the current sports hall) into one medium sized area and two smaller sized areas consisting of an upstairs and a downstairs. The upstairs area will include a 'Dojo Room' used for Yoga, Boxercise, Aerobic classes, Pilates and an overall space which the children can use as a breakout room for sessional work with staff. The ground floor will be split into two sections and will consist of a traditional Sports Hall and a Multi-gym Fitness Suite.	£200,000
<b>Total</b>		<b>£3,880,000</b>

### Revenue/ Running Costs of Hillside Secure Children's Home:

Neath Port Talbot has provided us with a high-level breakdown of costings for running Hillside, please note that these costs include the forthcoming increase in the costs of Mental Health Services from February 2025 onwards (this is referenced under "Health Services").

<b>Employee Costs</b>	<b>4,145,290</b>
<b>Premises</b>	<b>518,130</b>
<b>Transport</b>	<b>12,500</b>
<b>Supplies and Services</b>	<b>478,190</b>
<b>SLA's</b>	<b>1,300,880</b>
<b>Total Expenditure</b>	<b><u>6,454,990</u></b>

In terms of revenue, the sole stream for generating revenue at Hillside is from the contract in place between YCS and Hillside (due to commercial sensitivity we are not privy to the exact details of this), and the revenue incurred from Local Authorities utilising Welfare beds at Hillside. Hillside advised that for the financial year 23/24 Hillside was "just about breaking even".

#### *Health Services:*

Young people at Hillside can access mainstream NHS provision from the Swansea Bay University Health Board but costs for these services cannot be disaggregated. Due to the health needs of the young people at Hillside and the challenges with accessing mainstream health services from a secure unit, Hillside also commissions in-house support directly.

In terms of health, our understanding from liaising with England is that the health provisions within the English secure estate are funded directly in line with the Secure Stairs Framework aimed at supporting children and young people which is set out within the Health and Justice Children Programme National Partnership Agreement (2023-2025).

Welsh Government has worked alongside Neath Port Talbot Council and Swansea Bay and in establishing a Service Level Agreement (SLA) between the organisations however an agreement comparable to the English model has not been established and the costs for any integrated Health Services at Hillside are paid for by placing Local Authorities and the Youth Custody Service (YCS), taken from the revenue generated from the bed prices, the bulk of which are paid for by Local Authorities as the price per bed for a Welfare placement is £1,800 per night.

Concerns had been raised by HM Prison and Probation Service (HMPPS) regarding the lack of mental health services for young people being supported at Hillside. Overall, Swansea Bay University Health Board is responsible for providing access to health care to young people placed at Hillside. However, this responsibility does not extend to bespoke, specialist in-reach support to meet the demands of the young people at Hillside. A contract with a private provider for mental health services has been in place to deliver Psychiatry and Psychology support to Hillside.

Welsh Government can confirm that from February 2025 a Service Level Agreement (SLA) will be in place between Hillside and Swansea Bay enabling a more holistic approach to the mental health needs of the young people residing at Hillside. Neath Port Talbot advise that the cost of the existing mental health provision was £328,000 per year, the cost for the more enhanced service will be around £600,000 per year. Whilst the initial focus has been on access to mental health services, engaging the health board fully in the partnership arrangements that are in place will also ensure any other gaps in service provision can be explored, including how any gaps are resourced.

### *Education Services:*

The education provision at Hillside Secure Unit is, as with Health, paid for from the revenue generated from the bed prices. It is paid:

- by the placing Local Authorities for welfare placements.
- by the home local authority for children on remand. The Ministry of Justice (MoJ) gives local authorities an annual sum of money for remand, based on their previous use of remand. The funding from the MoJ is not ring fenced for remand and can be used by local authorities but with the understanding that once it is spent, if there is a remand there is no additional funding, and the local authority will have to meet any remand costs. (If a child is then sentenced the cost of remand is picked up and recharged by the home local authority to the YCS.)
- by the YCS for 4 youth custody places. Unlike welfare beds, YCS pay 365 days per year, even if the beds are empty, so they have guaranteed capacity if needed. YCS produces a specification that outlines the services they expect to receive for children placed at Hillside SCH. Hillside SCS and Neath Port Talbot CBC produce a “bed price” that covers all of those elements.

We have had discussions with officials from DfE who confirm that the same method of funding Education within the Secure Estate is adopted in England, Education is funded by the Ministry of Justice and Local Authority’s akin to the way it is funded in Wales. A local secondary school (Cefn Saeson) is currently commissioned by Neath Port Talbot CBC to provide the education provision at Hillside, although I understand that this contract is due to expire next year and alternative provisions are being considered.

### **Question 2:**

**Set out the relevant legislative provisions from which those funding arrangements originate**

Placements for young persons requiring detention on welfare grounds (under section 25, Children Act 1989) are commissioned by individual local authorities.

Local Authority run accommodation is governed by part 6 of the Social Services and Wellbeing (Wales) Act 2014 (SSW Act), by requiring local authorities to secure sufficient accommodation in their areas for the children they look after (section 75), and to accommodate children who (inter alia) are under police protection, in detention or on remand (sections 76 and 77). Section 119 also provides for the placement of children in secure accommodation.

Part 8 of the SSW Act reinforces the Local Authority's obligations and covers the Code of Practice for Directors of Social Services and includes at point 71 the Director's responsibility for ensuring that strategic plans are in place for children who are looked after and this involves "planning that embraces all aspects of a child's wellbeing including health and developmental needs, stability and permanence, and educational attainment, and focuses on improving outcomes for looked after children."

Additionally, The Care Planning, Placement and Case Review (Wales) Regulations (2015) sets out in detail the onus on the Local Authority to ensure that appropriate levels of health care and access to education are provided, noting that when a child is not placed within the responsible Authority's borders it should still be responsible for ensuring that a plan is completed that takes in to account that child's needs.

In terms of provision for children in custody on criminal justice grounds, this is a complicated matter due to the interface between the reserved area of criminal justice and devolved areas including health and education. The devolution of youth justice to Wales could create an opportunity to clarify this, depending on the approach to devolution taken.

### **Question 3:**

**Set out your understanding of the differences in the funding and commissioning processes between Hillside secure children's home and equivalent homes in England and the reasons for that difference?**

The difference in funding for Health Services at Hillside as opposed to their English equivalents has been set out. The Youth Custody Service (YCS) are responsible for commissioning of services and contractual management of private sector sites such as Hillside Secure Children's Home, as well as placing children and young people remanded or sentenced to custody. As this is a reserved service Welsh Government are not involved in contractual arrangements and therefore do not hold any information on the contract or financial information.

In terms of the funding for education, officials have liaised with counterparts at the Department for Education (DfE) who confirm that whilst DfE hold policy responsibility for Children's Services and oversees the statutory functions related to Secure Children's Homes in England, DfE does not provide any funding for operational purposes or linked to Education. There appears to have been some confusion in information shared with Neath Port Talbot CBC and Hillside around this, as NPT have advised Welsh Government that they were under the impression that Education was funded directly by DfE, this does not appear to be the case and education in the English SCHs is funded in the same manner as the education provision at Hillside is.

Further to this, DfE advised officials that the Secretary of State has the power to provide capital monies for Local Authority run secure children's homes under s.82 of the Children Act 1989 and for those owned and managed by private or voluntary organisations under s.14 of the Education Act 2002. This is not a duty to provide capital investment but a provision that means the Secretary of State can choose to provide this money.

I have already outlined the monies provided for capital funding at Hillside, which totals £3.88million since the 2009/2010 financial year.

## Future Planning:

We will continue to work with Neath Port Talbot CBC around how best Hillside can continue to support children and young people that require Secure Accommodation, this involves working alongside Hillside and our partner agencies to ensure that the service can best meet the needs of these individuals. In addition to this, Welsh Government are considering longer term plans for the Secure landscape in Wales, this may include moving towards smaller facilities which could provide regional secure accommodation (referred to as Small Homes). This move would be in line with that which is considered in the best interests of young people in Wales as this would provide children with placements closer to home, further to this research around secure provision for young people indicates that children feel safer in smaller units

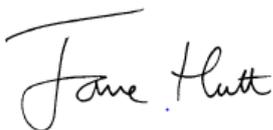
In the short- medium term we continue to work closely with our partner agencies including the Ministry of Justice (MoJ) and DfE to collaborate where we can on ongoing work to improve the services for children placed at Hillside, including working with DfE around the transition of young people out of secure accommodation.

We are also working with the third sector and Local Authorities around the Early Intervention Services and Edge of Care Services available across Wales to help rebalance the distribution of services with the aspiration that fewer young people will become looked after and by intervening earlier the need for Secure Accommodation would lessen.

In addition to the above, we are working closely with Local Authorities to increase the availability of regional residential provisions for children and young people with complex needs, again we hope that by providing a holistic service, closer to the young person's home at an earlier juncture may reduce the demand for secure accommodation.

Thank you once again for your letter and I hope that my response is helpful.

Yours sincerely,



**Jane Hutt AS/MS**

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