

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown at the top with four maple leaves, a shield with a ship on the left and a beaver on the right, and a banner at the bottom with the motto 'A NE FOR A'.

# **AGENDA ITEM**

**4**

## **SOCIAL WORK CHILDREN & FAMILIES UPDATED BUDGET POSITION**

**FALKIRK COUNCIL**

**SUBJECT: SOCIAL WORK CHILDREN & FAMILIES UPDATED BUDGET POSITION**

**MEETING: SCRUTINY COMMITTEE**

**DATE: 16 JUNE 2016**

**AUTHOR: DIRECTOR OF CHILDREN'S SERVICES**

**1. PURPOSE OF REPORT**

- 1.1 A report was provided to Members in October 2015 in relation to the Social Work Children & Families budget overspend for 2014/15 and the actions being taken to monitor and manage the expenditure in 2015/16.
- 1.2 A further report was presented to Members in February 2016 to provide an update on progress of the monitoring and management of the budget.
- 1.3 Members requested that a further update be provided to the Scrutiny Committee in June 2016.

**2. BUDGET EXPENDITURE**

- 2.1 **Table 1** describes the Social Work Children & Families budget outturn over the last 3 years.

Financial Year	Year-End Position	% Variance on Total Budget
2013/14	+£0.313M	+1.6
2014/15	+£2.784M	+13.6
2015/16	+£0.870M	+4.1

The reduction in the year-end overspend by £1.914M (from £2.784M to £0.870M) is reflective of the focussed and stringent management checks, controls and synergies that are being developed and embraced throughout the new Children's Services Directorate.

- 2.2 Members should note that the figures above relate solely to Social Work Children & Families spend.

Figures in other budgetary reports presented to Members may vary as Social Work Children & Families is reported as including the Criminal Justice budget.

If Social Work Children & Families and Criminal Justice are taken together, the year-end position for 2015/16 would be £0.916M (which is a 4.3% variance on total budget) and the reduction in the year-end overspend would be £1.868M.

As Criminal Justice is a ring-fenced budget delivered through the Community Justice Authority, I have reported only on Social Work Children & Families spend.

- 2.3 **Table 2** below outlines the main areas of overspend which continue to relate to the purchasing of external placements. The following table shows the 2015/16 year-end position and confirms an improved position overall compared to 2014/15.

Type of Placement	Year End Position 2014/15	Year-End Position 2015/16	Comparison % Variance From 2014/15
Residential Schools (joint funded)	+£0.591M	-(£0.004M)	-100.6
External Residential Care Homes	+£1.277M	+£0.386M	-69.7
Fostering (Falkirk Council)	+£0.138M	+£0.115M	-16.8
External Fostering	+£0.84M	+£0.831M	-1.1
<b>Total</b>	<b>+£2.846M</b>	<b>+£1.328M</b>	

- 2.4 Members have previously received detailed information regarding costs for individual placements. However, Members may find it helpful to have a summary of these:-

- **residential school placements** – costs vary between £1,639 and £4,998 per child per week.
- **external residential care placements** – costs vary between £2,520 and £4,025 per child per week.
- **external fostering placements** – the average weekly cost is £850.
- **Falkirk Council foster carers** – weekly fee of £60/£100/£150 per child per week depending on the carer's skill level plus an age-related allowance per child per week ranging incrementally from £137 for younger children to £226 for 16+.

- 2.5 It is not possible to always place a child/young person in the least expensive placements. Any placement is made on the basis of a robust multi-agency assessment.

The various external foster care providers and residential establishments offer different services ranging from learning difficulties to therapeutic communities. Also, this area remains a “seller’s market” and often the choice is limited because of availability.

The Council currently holds parental rights and responsibilities for 33 children placed in long-term external foster placements. This in turn means that the Council has Corporate Parenting rights and responsibilities in respect of these children and there is therefore

limited scope to reduce external foster care expenditure relating to these children until they are old enough to leave their placements.

2.6 The significant reduction in the 2015/16 overspend compared to 2014/15 is attributable to a variety of issues:-

- Reduction in number of young people in residential schools and/or return to less expensive community options.
- Reduction in the number of young people in residential care and also to the type of service being purchased and commissioning of new services at a reduced rate (movement -£890K).
- Additional budget received for Kinship Care of £300K. Carers need to be re-assessed before new funding package is applied and this is being taken forward incrementally, and so only some of this funding was spent in 2015/16.
- Additional funding received for Children and Young People (Sc) Act 2014 of £354K but £230K was not utilised and therefore offset some of the 2015/16 overspend.

The above 4 items equate to £2.02M, which is very close to the movement of £1.914M highlighted in paragraph 2.1 above.

### 3. CONTEXTUAL INFORMATION

3.1 **Table 3** below provides comparator figures for children Looked After Away From Home.

	Total on Looked After Away From Home Register as at				
	2012	2013	2014	2015	2016
January	211	209	227	249	240
February	207	213	229	252	237
March	204	219	228	252	242
April	208	227	228	251	247
May	214	225	227	248	
June	210	228	236	236	
July	214	222	247	240	
August	218	216	248	241	
September	215	223	246	247	
October	212	226	248	244	
November	210	223	257	246	
December	211	224	256	245	
<b>Monthly Average</b>	<b>211</b>	<b>221</b>	<b>240</b>	<b>246</b>	<b>241</b>

As can be seen from the above table, the overall number of children and young people Looked After Away From Home has not varied significantly from month to month. Some young people remain in long-term stable placement but many return home.

- 3.2 **Table 4** below shows the total number of new children who became accommodated for each year over the last 4 years (although some may have been Looked After previously and then were re-accommodated).

Year	Number of Children Accommodated
2012	114
2013	131
2014	126
2015	91

We accommodated fewer children in 2015 than over the previous 10 years.

- 3.3 There are also anticipated budget pressures for Social Work Children & Families from 2016/17 onwards, as follows:-

#### 3.3.1 **Kinship Care**

Because of the Equality and Human Rights Commission challenge, we have had to move to paying kinship carers an age-related allowance equivalent to what is paid to foster carers. Scottish Government provided part-year costs of £52,000 in 2015/16 and £104,000 for 2016/17 but this is based on an estimated number of kinship carers for each Local Authority.

Also, we have encouraged kinship carers to seek Section 11 Residence Orders. Previously, we paid kinship carers of Looked After Children an allowance of £40 per week and incentivised the Residence Orders by paying £50 per week.

The good practice element in this is that a Section 11 Order is a permanence solution which takes the child out of the “care” system; (no more Child Care Reviews or Children’s Panels) and invests “parental” rights and responsibilities with the kinship carer. The children are no longer Looked After, but cared for by relatives.

Scottish Government has now decided that the same age-related allowances should be paid to kinship carers who have Section 11 Orders. While we can estimate the number of current kinship carers who will be eligible for this, we are not able, at this stage, to estimate the number who may be eligible (because we currently have no knowledge of them) depending on the criteria Scottish Government decides on for eligibility.

Scottish Government has not yet published the definitive guidance/criteria. This is a very complex area and will be subject to a separate report to Members.

We received Scottish Government funding of £107,030 part-year costs for 2015/16 and £214,060 for 2016/17. The payments will require to be backdated to October 2015 once the criteria is established, so 2015/16 funding of £107,030 has been accrued.

#### 3.3.2 **Continuing Care and After Care**

Continuing Care and After Care are requirements of the Children Act which we have had a duty to implement since April 2015. In this first year, there have only been a small number of young people who were “eligible” under the new legislation. This has allowed

us to use some of the additional Scottish Government funding received to offset other budget pressures in 2015/16, as referenced in paragraph 2.6 above. The number of eligible young people will grow year-on-year.

The issue is that young people now have a right to remain accommodated until they are 21. This increases the potential costs to the Council, but it is difficult to estimate costs as we do not know how many young people will choose to remain in continuing care. They have the statutory right to opt in or out.

### 3.3.3 Secure Accommodation

There are 5 secure estates in Scotland which are governed by Scotland Excel by way of a National Secure Care Contract. Secure placements are the most expensive to purchase (circa £5,500 per week). There is a robust assessment process to determine if a young person meets the secure criteria.

However, secure placements can be made not just by Social Work but, on occasion, by the Police or the Sheriff Court and the Children's Panel, although the Chief Social Work Officer has to agree with the Head of the Unit that the young person is meeting the criteria.

Scotland Excel has informed Councils that there will be an average 2.6% increase in the costs of secure placements in 2016/17. We currently have one young person in secure accommodation, and the cost of that has risen by £175 per week (from £5,464 in March to £5,639 per week in April), however a 3% inflation provision has been built into the budget. The spend in 2015/16 of £1.018M represents 24% of the total £4.172M spend on residential schools.

**Table 5** below reflects the variability of need and the financial unpredictability.

2015/16	Good Shepherd	Kenmure St Marys	Kibble	Rossie	Howden Hall	Monthly Total
April	0	3	1	2	0	6
May	0	3	1	2	0	6
June	0	4	1	1	0	6
July	0	4	1	1	1	7
August	0	2	1	1	2	6
September	0	1	1	0	1	3
October	1	0	2	0	1	4
November	1	0	1	0	1	3
December	1	0	1	0	0	2
January	1	0	1	0	0	2
February	1	0	1	0	0	2
March	1	0	1	0	0	2
<b>Cost to Local Authority per Establishment (Social Work/ Education)</b>	<b>£139,722</b>	<b>£361,336</b>	<b>£277,992</b>	<b>£142,920</b>	<b>£96,668*</b>	<b>Total Costs £1,018,638</b>

\* One placement in Howden Hall was 100% Social Work funded.

#### **4. ACTIONS COMMENCED IN 2015/16 TO MANAGE THE BUDGET**

- 4.1 Robust budget management processes continue to be in place, with expenditure on placements being regularly reviewed.

- 4.2 The contract with Care Visions for Westside increased from 4 to 5 beds in July 2015 at a contract rate per bed per week of £2,750.

This allowed us to return one young person from a more expensive external placement to a more local less expensive placement and generated savings of £32,000 in 2015/16.

- 4.3 From November 2015, we have contracted with Focus Towards Successful Care (FTS Care), an independent provider, to purchase 6 beds locally (4 in Falkirk and 2 in Denny). Again, this allowed us to return 3 young people from more expensive placements and one from a foster placement breakdown who otherwise would have been accommodated in a more expensive external placement. This generated part year savings of £16K in 2015/16. Over the next 6 months, it is likely that the contract with FTS Care will extend to 7 beds.

- 4.4 We also advertised, via the Council payslips, for people who may be interested in becoming local foster carers. Thirty people attended the initial information evening, which may result in 3 carers ultimately completing the process and being registered.

- 4.5 Work has been ongoing to review the Council contract with external foster care providers. It was hoped this new contract would be in place by Spring 2016. However, some matters have delayed the tender process, which we hope will now be in place by late Summer. The new contract should generate part savings in 2016/17.

In the meantime, the existing contract has been extended and providers are being co-operative in funding discussions.

#### **5. ACTIONS PLANNED FOR 2016/17 TO MANAGE THE BUDGET**

- 5.1 The Children's Commission Leadership Group has agreed to work with Scottish Government on a project called "Realigning Children's Services". Essentially this involves surveying pupils and parents, identifying needs/gaps and realigning resources accordingly.

This has been undertaken already in 6 Scottish Local Authorities and has assisted them in reducing costs on external placements. This work is due to start from September 2016 and is likely to impact on the 2017/18 budget savings.

- 5.2 There is an ongoing review of Family Support Services (across Children's Services). This will result in some staffing savings for 2016/17 through the integration of the previous Education Family Support Service and the previous Social Work Intensive Family Support Service to provide a more seamless service.

- 5.3 Self-Directed Support has been piloted within Social Work Children & Families and independently evaluated by WithScotland. Self-Directed Support allows clients greater choice in how their assessed need is met. The pilot used Family Networks to identify need and subsequently agree how that need is met.

Consideration is now being given to how this is rolled out, with evidence from similar approaches used elsewhere that families often find creative and cost-effective solutions. Some savings are anticipated but we are not yet in a position to quantify this.

- 5.4 The creation and integration of Children's Services continues to bring opportunities to do things differently. Work is ongoing to look at Service structures. It should be noted that, although Social Work Children & Families budget overspent, there was an overall underspend in Children's Services of £0.99M. 2016/17 will provide an opportunity to rebase some of the budget headings and create a Children's Services budget.

## **6. CONCLUSION**

- 6.1 Children's Services continue to face a difficult and challenging time, particularly in light of implementing the Children and Young People (Sc) Act 2014 in a time of financial austerity, allied to the ongoing volatility of the demand to accommodate children.

We will continue to review working practices within an integrated service to improve outcomes for children with diminishing resources.

In 2016/17 we will work to reduce the overspend and bring the budget in on target. It is crucial that adequate levels of budget and resources are maintained to ensure that risks to children, and reputational risks to the Council, do not reach unacceptable levels.

- 6.2 The Senior Leadership Team within Children's Services will continue to robustly monitor budget expenditure on a regular basis.

## **7. RECOMMENDATIONS**

**Members of the Scrutiny Committee are asked to note:**

- (1) the progress in achieving a significant reduction in the overspend outturn for 2015/16;
- (2) the proposals for ongoing strategies for managing the 2016/17 budget.

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**Director of Children's Services**

**Date: 2 June 2016**

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### **LIST OF BACKGROUND PAPERS**