

FALKIRK COUNCIL

SUBJECT: FINANCIAL POSITION – SOCIAL WORK SERVICES
MEETING: EXECUTIVE
DATE: 30 SEPTEMBER 2014
AUTHOR: DIRECTOR OF SOCIAL WORK SERVICES

1. INTRODUCTION

- 1.1. The purpose of this report is to provide Members with information on the budget pressures currently being experienced in relation to Social Work Services, the potential impact of these on the Service's financial outturn and the steps which are being taken to monitor and manage expenditure.

2. CURRENT PROJECTIONS

- 2.1. The gross budget for Social Work Services is £123.25m and the net allocated budget is £89.70m. The current projections, based on data on expenditure incurred until end of July 2014, is that a potential overspend of £2.4m is possible. This contrasts with the financial position in the previous 2 years when the financial outturn was £0.97m underspent in 2012/13 and £0.60m overspent in 2013/14 respectively.
- 2.2. Sections 3 and 4 of this report set out the factors which are driving increased expenditure in relation to Community Care Services and Children & Family Services, and Section 5 of this report sets out the actions that have been taken to date to manage expenditure.

3. COMMUNITY CARE SERVICES

- 3.1. The Community Care budget is projecting a potential overspend of £0.70m, with the main areas of pressure being 24 hour care, home care purchasing and the purchasing of specialist support packages. The impact of these pressures is already being offset by savings in employee costs.
- 3.2. The factors which are driving these areas of expenditure is an upward trajectory in the demand for services as outlined in reports to the Performance Panel and summarised as follows:-
- The number of people assessed for community care services increased by 673 or 8% in 2013/14, compared to 2012/13. This has a cumulative effect in driving expenditure in the current financial year.

- The number of Adult Support and Protection referrals increased by 55% in 2013-14. In the quarter ending 30th June 2014 they increased by 15% compared to the same quarter in the previous year. The number of people requiring an ASP Protection Plan also increased by 5% in the same reporting period. The work associated with Adult Support and Protection is highly resource intensive for Community Care teams.
- The number of people over 65 receiving home care services increased in 2013/14 by 4% and there was a 12% increase in the number of hours purchased to just under 14,000 per week in 2013/14.
- This points to higher levels of need being met by home care services which is further evidenced by an 18% increase in people aged 65 and over requiring home care during evenings or overnight.
- The total number of Home Care hours for all client groups has increased over the last year by 6% (1662 hours) since March 2013 to 27,018 hours per week as at the end of July 2014.
- The number of support hours per week provided in the form of Direct Payments has increased from 1,356 hours per week at 31st March 2013 to 1,569 hours per week, an increase of 16%.
- There has been significant pressure on care home places, with an increase in the number of people in externally purchased care homes in the last year from 893 to 945 at 31st July 2014, which is an increase of 6%.

3.3. The costs of care at home provision are regulated by the framework agreement we have with external providers. This has been subject to a further tendering process and a new framework is about to be introduced. The cost of residential care/nursing home placements for older people is fixed by the national care home contract and is currently £505.46 per week for residential care homes and £587.00 for nursing homes.

4. CHILDREN & FAMILIES SERVICES

- 4.1. The Children & Families projected overspend as of the end of July 2014 is £1.77m, with pressures being experienced in the budgets relating to residential schools, crisis care, external fostering, fostering, residence/custody, external residential care and throughcare and aftercare.
- 4.2. The increased expenditure is directly related to increases in the number of children who are looked after away from home and the complexity of the needs they present. As of the end of July 2014, the Council was looking after 247 young people, an increase of 25 from the same period last year, and an increase of 33 from July 2012, and the highest number in over 3 years. In recent years the rate of children and young people per thousand who are looked after and accommodated in Falkirk has been lower than the national average. It is now 7.9 per thousand compared to 10.9 nationally.

This would suggest that decision making in relation to children being removed from home is not out of kilter with the rest of Scotland and indicates that we are still performing well in maintaining children at home.

4.3. Over the course of the last year we have seen:-

- An increase in the number of pre-school children being accommodated and moving on to permanency and adoption, often related to parental substance misuse.
- An increase in the number of 14 and 15 year olds in stable and longer term fostering arrangements and who subsequently will require aftercare services.
- An increase in the number of sibling groups who require to be accommodated.
- An increase in the use of residential schools, including secure care.

4.4. Wherever possible, children are accommodated in family settings using our own foster carers, however, when this is not possible, external providers require to be used. As at the end of July 2014, 40 young people were accommodated with external foster carers at a projected cost of £1.7m.

4.5. Where a foster placement is not appropriate to a child's needs, residential care placements require to be arranged. As at the end of July, 25 children were accommodated in external residential placements at a projected cost of over £4m.

4.6. Where a child's additional needs cannot be met in mainstream school, for example they also have care needs, residential school placements require to be made. At the end of July 2014, 32 residential school placements were being used including 3 secure placements, at a cost of £2.8m to Social Work Services, with a further £2.6m expenditure being met by Education Services. A further 2 secure placements had been made during the period April to July and a further 2 placements pending. These placements have resulted in a projected overspend of £0.9m in the combined Social Work/Education budget for residential schools.

4.7. The factors which are driving this increased expenditure are also impacting on the budget for Education Services which will be reported in more detail in the Chief Finance Officer's report to members on the overall financial position of the Council. It is of concern to both services, however that given Falkirk's figures have historically been below the national average and the fact that we have rising demographic pressures there is a real risk that the numbers of young people who will require residential school placements will increase.

5. **ACTIONS BEING TAKEN TO MANAGE BUDGET PRESSURES**

5.1. In responding to this very critical situation, the Service is focussing on actions which may prevent higher levels of need developing, as well as actions to minimise expenditure and actions to scrutinise decision making about high cost placements.

5.2. Preventative Actions

The Service demands which are outlined in this report need to be seen in the context of the challenges facing the Council area as a whole. The demographics of the area are such that we are responding to the needs of the growing number of younger people, older people and people with disabilities.

The single outcome agreement sets out a range of preventative measures which the Council and Community Planning partners are committed to and it is important that these continue to be prioritised. In relation to Children & Families, it is very important that the work of the Early Years Collaborative and of the Children's Commission focuses on preventative measures which enable more young people to achieve the desired outcomes of being safe, healthy, active, nurtured, respected, responsible and included. It is also vitally important that when children become "looked after", the Council fulfils its responsibilities as Corporate Parents and provides strong support to looked after children.

These are all prerequisites to enabling as many young people as possible to thrive in their own families, homes and communities without the need for the intensive service provision which is outlined in this report. Likewise, it is important that we continue to progress our plans for reshaping care for older people in order to ensure that wherever possible older people are able to remain well supported at home.

5.3. Actions to Minimise Expenditure

- The budget pressures outlined in this report are already being partially offset by staff savings and the Service will continue to manage vacancies very carefully.
- The Service is continuing to take steps to secure value for money in our approach to the procurement of externally provided services and has recently tendered for care and support at home and for the provision of equipment.
- We are about to embark on a further recruitment campaign for foster carers in order to reduce our reliance on externally purchased foster placements.
- Budget monitoring takes place through regular meetings involving service accountants.

5.4. Actions to Scrutinise High Cost Placements

Mechanisms are in place to ensure that all commitments to care packages of more than £200 per week are scrutinised by senior managers in order to ensure consistency and to ensure that resources which are committed meet risks and needs. Through this scrutiny activity, consideration is also given to whether there are other more cost effective ways of meeting needs and managing risks.

In relation to residential schools, this scrutiny function is undertaken jointly with Education Services.

6. CONCLUSION & RECOMMENDATIONS

6.1. Social Work Services are facing a potentially very serious financial position and every effort is being made to prevent needs arising which will lead to high cost care arrangement, to minimise expenditure and to scrutinise decision making whilst continuing to meet assessed need and to manage risks.

6.2. Members are asked to:-

- **Note the current financial position and the pressures which are contributing to this.**
- **Note the actions which are being taken to address these pressures.**
- **Consider whether any other actions are required to address this situation.**

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BACKGROUND PAPERS

None