

FALKIRK COUNCIL

SUBJECT: SOCIAL WORK CHILDREN & FAMILIES BUDGET POSITION
MEETING: SCRUTINY COMMITTEE
DATE: 15 OCTOBER 2015
AUTHOR: DIRECTOR OF CHILDREN'S SERVICES

1. INTRODUCTION

- 1.1 This report sets out to provide the Scrutiny Committee with information on the budget overspend in Social Work Children & Families service during the financial year 2014/15.
- 1.2 The report also provides Members with information on actions being taken to monitor and manage expenditure in the current financial year within the context of anticipated budget pressures arising from new legislative duties from the Children and Young People (Scotland) Act being implemented from 1 April 2015.

2. BUDGET EXPENDITURE 1 APRIL 2009 TO 31 MARCH 2015

- 2.1 Over the past 6 financial years, the Children & Families budget outturn has been as follows:-

Financial Year	Year End Position £000s	% Variance on Total Budget
2009/10	+£1,343	+7.2
2010/11	(£222)	(1.1)
2011/12	(£387)	(1.9)
2012/13	(£526)	(2.7)
2013/14	+£313	+1.6
2014/15	+£2,784	+13.6

- 2.2 In 2011/12 there was acknowledgement from Members that the overall Social Work budget was underfunded and a decision was taken to add £2.3 million to meet expenditure pressures. Children & Families Social Work received 50% of this funding, amounting to £1.15 million, with the majority of this being added to the residential care cost centre on the basis that this was what had caused the previous budget pressures in 2009/10.
- 2.3 Also in 2011/12, because there had been a reduction in the number of residential schools placements but continuing pressure in residential care placements, a decision was taken to increase the residential care budget by £772k.
- 2.4 In 2012/13, as part of the budget savings, the residential care budget was reduced by £186k, and the external fostering budget was reduced by £50k.

2.5 In 2013/14, the residential schools budget was again reduced by a further £175k as part of the budget savings.

2.6 The Children & Families Social Work budget in 2014/15 was £20.483 million. The year end outturn showed an overspend of £2.784 million, a variance of 13.6% against the allocated budget.

The main areas of overspend were related to the purchasing of external placements (residential schools, residential care and fostering).

2.7 The main pressures on the budget were reported to the Executive by the Director of Social Work on 30 September 2014. In addition, a comprehensive report on budget pressures in Social Work was included as an appendix to the Revenue Budget Framework 2015/16 – 2017/18.

2.8 The September 2014 report highlighted a projected overspend of £1.77 million at the end of July 2014. Despite diligent management and monitoring, this rose to £2.784 million by 31 March 2015.

2.9 The expenditure was directly related to increases in the number of children who required to be looked after away from home and the complexity of the needs they presented.

3. CONTEXTUAL INFORMATION

3.1 Table 1 below provides comparator figures for children looked after away from home for the last 4 years. It shows the sharp increase in numbers throughout 2014, continuing into the early part of 2015 but with numbers decreasing from May onwards, although still high.

Table 1
Falkirk Council Number of Looked After Away from Home

	Total on LAAFH Register as at			
	2012	2013	2014	2015
January	211	209	227	249
February	207	213	229	252
March	204	219	228	252
April	208	227	228	251
May	214	225	227	248
June	210	228	236	236
July	214	222	247	240
August	218	216	248	241
September	215	223	246	
October	212	226	248	
November	210	223	257	
December	211	224	256	

- 3.2 There has been a national trend in relation to increasing numbers of children and young people becoming looked after, both at home and away from home. Over the last few years, Falkirk's "Looked After" overall rates have been consistently lower than the national average, though the figures from July 2014 to July 2015 move us closer to this.

The national trend is a rate of 10.9 per thousand, while Falkirk is at a 7.7 rate per thousand based on current figures.

- 3.3 We compare much less favourably with the Scottish average in terms of the percentage of our overall looked after population who are looked after **away** from home in residential schools and residential care.

There are a variety of reasons for this, ranging from whether our risk thresholds are lower than comparator Councils through to the attitudes and decisions taken by local Children's Panel members and local Sheriffs. This is an area which requires further interrogation of the performance management data.

- 3.4 Some of these increases are as a result of demographic changes, with the annual birth rate in Falkirk being 7.1% higher than the national average over a 10 year period up to 2012 and an increasing number of children and young people being affected by parental alcohol and drug misuse. The impact of this has been an increasing number of younger children becoming accommodated and moving on to permanency.

In 2013, 10 children aged 0 – 5 were registered for adoption, and 7 children aged 0 – 10 years for permanent fostering. In 2014, 12 children aged 0 – 5 were registered for adoption, with 14 children aged 0 – 10 years registered for permanent fostering. In 2015, from 1 January to 31 May 2015, 7 children aged 0 – 5 have been registered for adoption.

- 3.5 Assessment of need in relation to children and young people is based on robust risk assessment and risk management. The number of young people who require to be accommodated at any one time is highly variable as well as unpredictable. This is also influenced by the legislative decisions taken both by the Children's Hearing and the Sheriff Court, which the local authority is then required to implement or be faced with the possibility of judicial review or Enforcement Notices, thereby creating potentially unacceptable risks to individual children and/or reputational risk to the Council.

Consequently, this leads to financial volatility.

- 3.6 The main areas of increased demand are summarized as follows:-

Type of Placement	Actual Overspend 2014/15 £000s
Residential Schools – Joint Funded	£594 (Social Work contribution only)
Residential Schools – 100% Social Work	£64
External Residential Care	£1,282
Crisis Care	£141
Fostering	£136
External Fostering	£900

4. CURRENT POSITION FOR 2015/16

4.1	Type of Placement	Projection £000s
	Residential Schools – Joint Funded	(£99)
	External Residential Care	+£516
	Crisis Care	Breakeven
	Fostering (Falkirk Council)	(£10)
	External Fostering	+£930

4.2 In total, 34 young people have been placed in residential schools between 1 April 2015 and 31 July 2015. As at 31 August, there are 20 young people in residential schools and 3 in secure. NHS FV contributes funding to 3 of the above placements due to the complex and health care needs of the children placed. Weekly costs for residential school placements vary considerably, with the cheapest being £1,639 per child per week to £4,998 per child per week.

4.3 There has been a total of 34 young people placed in external residential care placements since the beginning of April 2015. As at 31 August 2015, there were 23 young people in external placements.

The costs vary from £2,520 per child per week to £4,025. The average placement cost is £3,375.

4.4 Foster carers are paid a fee of either £60, £100 or £150 per child per week in relation to providing a fostering service and the weekly amount of this is dependent on their level of experience. They also receive an age related allowance per child per week related to caring for individual children.

The Council currently has 58 registered foster carers. The Children and Young People (Scotland) Act 2014 set an upper limit of 3 placements per fostering family.

As at 31 August 2015, there were 107 young people placed with Falkirk foster carers and 2 young people with supported carers.

4.5 There has been an increase in the number of sibling groups requiring to be accommodated. From June 2014 to June 2015, we accommodated a sibling group of 5, 2 sibling groups of 4 and 2 sibling groups of 3.

The sibling group of 5 were accommodated in June 2014 (across foster care/residential schools) and remained in care beyond 31 March 2015, with a total cost to the local authority of £399,573, but with Social Work bearing more than half the cost.

4.6 There have been 41 placements in total with external foster carers since 1 April 2015.

As at 31 August 2015, there were a total of 38 young people in placement. Of these, the Council holds a Permanence Order for 27 of them, which would indicate that they are in long-term stable placements and certainly means that they will not be going home, will remain in care and the Council, as their corporate parents, have the responsibility to care for them. The Council holds Permanency Orders with authority to adopt for a further 4 children.

The current carers may wish to “claim” these children or the children may move on to other adopters. There is a standard charge of £24,000 for purchasing an adoptive placement through an external provider.

The weekly cost of an external foster placement varies from a minimum of £717 per child per week to a maximum of £1,080 per child per week, with the average cost being £850.

Three years ago, using the PSP approach, we developed a tender to contract with 8 external foster care providers. This is in the process of being reviewed and we are likely to move to using the National Contract from April 2016.

- 4.7 The recent publication of the Children and Young People (Scotland) Act 2014 has now enshrined the GIRFEC approach in legislation as well as widening corporate parenting responsibilities, not just across all Council Services but now including partner agencies. The Children Act also legislates for young people to access continuing care beyond 18 to age 21 and to receive aftercare support up to age 26. The Act has also increased responsibilities for Local Authorities to support all Kinship Care placements (not only the current circumstances where children are deemed to be “looked after”). This means that many kinship carers (which the local authority currently has no awareness of) will be entitled to access financial support in the future. All of this has significant implications for both current and future service provision and, accordingly, the overall budget and any potential efficiency savings.

£300k was included in the 2015/16 budget to ensure equity of allowances between foster carers and kinship carers, because of the Equality & Human Rights Commission challenge. We have recently learned that Scottish Government intends to extend these allowances to all kinship carers who progress to a Section 11 Residence Order. This has a potentially massive impact on the future Children & Families budget, in that private arrangements made by families will potentially now become the responsibility of the local authority, with a major impact on local authority budgets/responsibilities. COSLA and Social Work Scotland continue to be in dialogue with Scottish Government about the serious budget implications of the proposals for local authorities.

- 4.8 As can be seen from the above, we are continuing to project an overall overspend for 2015/16 of circa £1.39 million. However, since 1 April 2015 to date we have had 8 young people in secure accommodation. The cost of this is approximately £5,550 per child/young person per week and, at any point, even one extra placement can increase the budget projections, which again emphasizes the volatility of the situation.

5. ACTIONS BEING TAKEN TO MANAGE THE BUDGET

- 5.1 The current budget for Children & Families Social Work for 2015/16 is £21.475 million and there continues to be a real challenge to constrain expenditure to those levels, meeting demanding service efficiency targets whilst protecting both individual children and any potential reputational risks to the Council.
- 5.2 Work has begun to benchmark with the other 31 local authorities in relation to thresholds for accommodating children. At this stage, there is nothing to suggest that we are more “risk averse” than other local authorities.

- 5.3 The current projected overspend is around £1.390 million, which is a 6.5% variance against budget and is an improvement against the position at September 2014.
- 5.4 The integration of Social Work Children & Families service with Education into an integrated Children's Service brings opportunities to reduce duplication and transformation of current services in our approach to service delivery. The future focus has to be on improving outcomes for children and young people. Investment in this area of service potentially could impact on reducing the future spend for adult services.
- 5.5 There remains, in particular, a difficulty with the cost and volume of all external placements and the service is targeting actions in this area:-
- intensive scrutiny of each placement;
 - review of contract costs;
 - work on service transformation to increase number of foster carers and local residential provision.

6. CONCLUSION

- 6.1 Social Work Children & Families service continues to face a difficult and challenging time, particularly in light of the financial implications of the Children and Young People (Scotland) Act 2014 as well as the volatility of the demand for external placements. Within the newly formed Children's Service, we will be reviewing working practices and seeking transformational change to address these issues. However, the change process will take time and dedicated resources to take this forward.
- 6.2 In the meantime, the Senior Leadership Team within Children's Services will continue to robustly monitor expenditure on a regular basis.

7. RECOMMENDATION

- 7.1 The Committee is invited to note the content of this report.

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BACKGROUND PAPERS