

**FALKIRK COUNCIL**

**SUBJECT: SOCIAL WORK CHILDREN & FAMILIES BUDGET UPDATE**  
**MEETING: SCRUTINY COMMITTEE**  
**DATE: 4 FEBRUARY 2016**  
**AUTHOR: DIRECTOR OF CHILDREN'S SERVICES**

**1. INTRODUCTION**

- 1.1 A report was presented to the Scrutiny Committee in October 2015, providing information on the budget overspend in Social Work Children & Families service for the financial year 2014/15.
- 1.2 The October report also outlined the actions being taken to monitor expenditure in the current financial year. This report seeks to provide an update on progress.
- 1.3 The October 2015 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, a variance of 13.6% against the allocated budget.

**2. BUDGET EXPENDITURE 1 APRIL 2015 TO 31 DECEMBER 2015**

- 2.1 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.
- 2.2 The Children & Families Social Work budget for 2015/16 is now £20.939 million. Members will note that the October 2015 report to Committee indicated that the 2015/16 budget figure was £21.475 million. This was correct at that point in time. The reduction is due to the removal of departmental admin and Capital charge budget. The projected outturn as at 31 December 2015 is an overspend of £1.445 million, a variance of 6.9% against the allocated budget.

The budget overspend directly relates to additional expenditure being incurred due to increases in the number of children who require to be looked after away from home and the complexity of the needs they present.

The main areas of overspend continue to be related to the purchasing of external placements (mainly residential care and fostering).

### 2.3 **Main Pressure Areas 2015/16**

Type of Placement	Budget £'000	Projection £'000	Variance £'000	% Variance £'000
Residential Schools – joint funded	2,254	2,212	-42	-2
External Residential Care	3,474	3,870	396	11
Fostering (Falkirk Council)	1,594	1,779	185	12
External Fostering	942	1,762	820	87
TOTAL	8,264	9,623	1,359	

### 2.4 **Residential School Placements**

In total, 38 young people have been placed in residential schools between 1 April 2015 and 31 December 2015. As at 31 December, there were 19 young people in residential schools and 2 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 £1,886 per child per week and the most expensive being £5,250 per child per week.

### 2.5 **External Residential Care Placements**

38 young people in total have been in external residential care placements from April 2015. As at 31 December 2015, there were 24 young people in external placements.

The costs vary from £2,520 per child per week to £3,745. The average placement cost is £3,055.

### 2.6 **Foster Care Provision**

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 skill level. They also receive an age related allowance per child per week related to caring for individual children. The age related allowances are:-

0 – 4	£137.18 per week
5 – 10	£156.26 per week
11 – 15	£194.53 per week
16+	£226.87 per week

The Council currently has 60 registered foster carers and 12 short break carers for children with disability. The Children and Young People (Scotland) Act 2014 set an upper limit of 3 unrelated placements per fostering family.

As at 31 December 2015 there were 101 young people placed with Falkirk foster carers, 2 young people with supported carers and one in a board and lodgings placement.

- 2.7 There have been 46 placements in total with external foster carers since 1 April 2015.

As at 31 December 2015, there were a total of 39 young people in these placements. Of these, the Council holds Permanence Orders for 33 of them (4 with authority to adopt). This 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 parent, has the responsibility to care for them. As a consequence, it is therefore not feasible to reduce the overspend against this budget line. It would be more financially realistic to set a mainstream budget for this as many of these children are likely to remain in placement until age 19.

2.8 **Kinship Care Payments**

Members will recall in 2014 the Equality and Human Rights Commission (EHRC) challenge to Councils in relation to inequity of allowances to kinship carers of looked after children, with the Council having to revise its policy to avoid judicial review.

From 1 April 2015, we incrementally moved to undertaking financial assessments of current kinship carers and all new kinship carers of looked after children to move them on to the same rate of age related allowances paid to foster carers (outlined at 2.6). At the moment, we have 34 eligible kinship carers with an estimated increased cost (based on mid-range allowance minus child benefit) of £72,000 part year costs to the 2015/16 budget. Scottish Government part year funding of £52,000 has been provided for 2015/16.

- 2.9 In reaching agreement in relation to parity of allowance to kinship carers of looked after children, the Scottish Government announced in Autumn 2015 that the equivalent of fostering rates should also apply to certain carers with a Section 11 Residence Order. Clarity on the criteria for this is anticipated by end January/early February 2016. This will have significant implications financially for the Council.

The criteria will require payment of fostering equivalent allowances at minimum to carers with Section 11 Orders where the child was looked after immediately prior to the granting of the Section 11 Order, but may extend well beyond this to carers with whom the service has had limited or no previous involvement. Payments are required to be back-dated to 1 October 2015. No payments have yet been made as we await the announcement from the Scottish Government.

73 carers with Section 11 Orders are currently supported financially by the Council at a rate of £50 per week per child. For October 2015 – March 2016, additional funding from the Scottish Government means that, if carers qualify for child benefit and child tax credit, the additional funding of £107,030 should cover the increased costs of parity of allowance. If only eligible for child benefit, there will be a maximum shortfall of approximately £102,820. Any extension of eligibility will increase these costs.

Following the clarification of eligibility, a further report will be provided to Members on this matter.

### 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 throughout 2015.

**Table 1**

**Falkirk Council Number of Children 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	247
October	212	226	248	244
November	210	223	257	246
December	211	224	256	246

3.2 Table 2 below provides comparator figures for looked after children rate per 1000 of population under 18.

These figures were published on 31 March 2015 by the Scottish Government and relate to Children's Social Work statistics for Scotland for 2013/14. They are based on an annual CLAS (Children Looked After statistics) return made by all Local Authorities as at 31 July each year.

It is worth noting that the percentage rate is lower than the national average and compares favourably with our comparator Local Authorities. We compare less favourably in having more children looked after away from home in residential care/schools than in foster care.

**Table 2**  
**Looked After Children - Falkirk v Scotland & Comparator Local Authorities**

			HMIE Comparator LAs @ 31/07/14					Other Neighbouring LAs @ 31/07/14			
	Scotland @ 31/07/14	FALKIRK @ 31/07/14	South Lanarkshire	Fife	Clacks	Moray	Angus	Stirling	North Lanarkshire	West Lothian	FALKIRK @ 31/07/15
Number of Children Looked After	15,580	370	595	952	184	213	272	233	706	415	364
Rate per 1,000 <18 population	15.1	11.6	9.6	13.1	17.9	11.2	12.1	12.9	31.2	18.4	11.4
Number of Children Looked After At Home (with parents)	4,144	114	212	123	52	46	92	67	282	125	118
Rate per 1000 <18 population	4.0	3.6	3.4	1.7	5.0	2.4	4.1	3.7	12.5	5.5	3.7
Number of Children Looked After Away From Home	11,436	256	383	829	132	167	180	166	424	290	246
Rate per 1000 < 18 population	11.1	8.0	6.2	11.4	12.8	8.8	8.0	9.2	18.8	12.8	7.7

3.3 Table 3 below provides comparator budget figures for children looked after in residential and community settings for 2013/14.

These figures are collected nationally by the Improvement Service as part of the Local Government Benchmarking Framework. Again it is worth noting that Falkirk's spend on both residential and community settings is below the national average and compares favourably with our comparator authorities.

**Table 3**  
**LGBF Indicators - Falkirk v Comparator Local Authorities 2013/14**

	Scotland	FALKIRK	HMIE Comparator LAs					Other Neighbouring LAs		
			South Lanarkshire	Fife	Clacks	Moray	Angus	Stirling	North Lanarkshire	West Lothian
The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week	£3,098.31	<b>£2,507.14</b>	£2,623.63	£2,962.82	£2,426.92	£4,698.72	£4,612.82	£2,501.28	£3,445.51	£2,576.54
Rank		<b>10</b>	13	16	6	30	29	8	21	12
The Gross Cost of "Children Looked After" in a Community Setting per Child per Week	£264.83	<b>£225.06</b>	£179.66	£329.41	£289.71	£237.94	£305.73	£211.54	£117.42	£218.65
Rank		<b>14</b>	6	26	21	16	23	9	2	12

- 3.4 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 an Enforcement Notice, thereby creating potentially unacceptable risks to individual children and/or reputational risk to the Council.

Consequently, this leads to financial volatility.

- 3.5 Work is ongoing to interrogate the performance management data to identify themes/patterns of characteristics in relation to the young people who are looked after away from home.

- 3.6 To date, we know that the following characteristics are prevalent:-

- parental drug and alcohol misuse
- parental mental health issues
- child protection issues (physical, emotional abuse and neglect)
- domestic violence
- self-harming behaviour of young people themselves
- drug and alcohol use by young people themselves
- risks to self and others

#### 4. ACTIONS BEING TAKEN TO MANAGE THE BUDGET

- 4.1 There continues to be a real challenge to constrain expenditure, meeting demanding service efficiency targets whilst protecting both individual children and any potential reputational risks to the Council.
- 4.2 The contract with Care Visions for Westside has now been increased from 4 to 5 beds, effective from **9 July 2015** at a contract rate per bed per week of £2,750 compared to an average weekly cost of £3,055 for external provision.
- 4.3 We previously spot-purchased 2 placements from FTS at a cost of £2,975 per week. We now have a contract in place with them to purchase 6 out of their 8 beds at a weekly cost of £2,870. This has therefore provided savings on the 2 spot purchased beds from **2 November 2015**. It also enabled us to bring 3 young people back from more expensive external residential placements and accommodate a foster placement breakdown locally.
- 4.4 We are negotiating with Care Visions to potentially contract with them to provide a further 3 - 4 bedded unit.
- 4.5 We are due to run a foster carer recruitment campaign in March. Consequently, we will ask Payroll to include a message in all Council employee payslips in February, hopefully to create interest.

An article from an existing foster carer is also being put forward for inclusion in the Falkirk Council News, again to generate awareness and interest.

4.6 The Council contract with external foster carers is being reviewed. We have asked providers to give us a reduced rate for sibling and long-term placements. All but one of the 8 providers have agreed to do this. Work to progress the new contract is underway.

4.7 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.

Plans are being progressed to develop a co-ordinated Family Support Service to include both early intervention and targeted services, thus providing a greater focus on prevention in relation to young people becoming looked after.

A manager from Social Work is to be seconded to the Mariner Service as a test of change to assist with bringing more young people back to Falkirk from external provision and allowing them to access local education. The pending relocation of the Mariner Service from Weedingshall to the former Focus School property in Laurieston also supports the Service in trying to increase the level and availability of provision within Falkirk.

## **5. CONCLUSION**

5.1 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 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.

5.2 In the meantime, the Senior Leadership Team within Children's Services will continue to robustly monitor expenditure on a regular basis.

## **6. RECOMMENDATION**

6.1 The Committee is invited to note the progress made to date.

.....  
**Robert Naylor**  
**Director of Children's Services**  
**Contact Tel No: 504686**

## **BACKGROUND PAPERS**