

## Children's Services Action to Address Pressures

### 1. Introduction

- 1.1 In July, Cabinet considered the first Budget Monitoring report of the year which highlighted a projected overspend for Children's Services of £7.153m and agreed the allocation of £1.2m of monies identified corporately which reduced this position to just under £6m.
- 1.2 This appendix sets out in further detail the pressures impacting on Children's Services, the mitigation being undertaken to reduce these pressures and the work to date on the improvement programme and demand modelling and the anticipated mitigation of the pressures that can be achieved in year and in the future.
- 1.3 The Children's Services Efficiency Programme will deliver £3.501m of mitigation activity to reduce the current pressures in Children's Services (£11.655m) so that the end of year balance for Children's Services will be an overspend of £5.980m or lower. The programme has been set a savings target of £11m by April 2016/17 and analysis and workshops are underway to identify how this will be achieved. The Business Case for the programme, including cost-benefit analysis will be completed for mid-September.

### 2 Pressures

- 2.1 The total pressures impacting on Children's Services are:

<b>Directorate pressure</b>	<b>11,655</b>
Education	100
No recourse to public funds	1,600
Unaccompanied Asylum seekers	1,128
Children Remanded by Courts	300
SEN transport	543
Legal Services	500
Pitstop	120
Special Guardian's/Adoption	214
Leaving Care	188
Internal Fostering	565
External Fostering	485
Residential placements	2,047
Social care Agency	3,000
Training Programme (AYSE)	365
Safeguarding, Commissioning and Early Help	500

- 2.2 Further detail on each of those is contained within the following paragraphs.

## Pressure areas

### 2.3 Education pressure £100k

Due to the overspends in Children's Services no balances were allowed to be carried forward this year. This has caused a reporting pressure of £100k on the Adult Education, plus a risk of redundancy costs of £150k

### 2.4 Complex Needs and Social Care reporting pressures £11.055m

#### No Recourse to Public Funds (NRPF) pressure £1.6m

Legislative changes in the 'No Recourse to Public Funds' (NRPF) has placed an additional budget pressure of £1.6m in support to these children and families. The expenditure on NRPF has seen a huge increase due to the rise in numbers of families and children being supported and the increase in subsistence payments for Children and now for parents as well. Previous subsistence payments were for children only. This has led to additional costs of circa £500,000.

#### UASC (Unaccompanied Asylum Seeker Children) pressure £1.128m

There is also a budget pressure of £1.128m relating to the cost of Unaccompanied Asylum Seeker Children. The Government provide some grant support but this is a small contribution in comparison to the costs of each placement. Additional demand on this service (the "Calais" effect) has resulted in the forecast pressure increasing by £140,000 since May. Unaccompanied Asylum Seekers are allocated to London Boroughs on a rota system, led by Croydon on behalf of London.

#### Remand Service Children pressure £0.3m

This cohort of children and associated costs is determined by the Courts; therefore Children's service has no control to reduce the forecasted pressure within the council's budget. A budget is allocated based on the previous 3 years. The number of children placed on Remand by the courts has increased but the funding has decreased.

#### SEN (Special Educational Needs) Transport pressure £0.543m

Special Educational Needs (SEN) Transport is experiencing a projected pressure of £543 due to continued high demand for pupil transport assistance.

#### Legal Services pressure £0.5m

An increase in legal costs due to the complexities of cases and large sibling groups and additional legal counsel for court cases has caused a reported pressure of £500k;

#### PitStop pressure £0.12m,

Newham Social Care agreed to purchase some of our Pitstop provision and this was built into the budget. Negotiations have taken longer than expected, causing financial pressure, this has increased by £60,000 since May as agreements have still not been reached.

#### SGOs (Special Guardianship Orders) and Adoption pressure £0.214m

SGOs, residence orders and adoption service reported pressure is £0.214m, and a slight decrease (£0.013m) on the previous month due to changes in SGO allowances.

#### Leaving Care pressure £0.188m

Staying Put requirements (where young people have the option to stay with their carers for longer), the increased numbers of UASC moving through to Leaving Care and an increased expectation for social care follow up for care leavers until they are 25 have increased pressures by £0.058m since May on this service.

#### Internal Fostering pressure £0.565m

More children have been placed within our in-house provision as the preferred option, so that the established budget is no longer sufficient, this has resulted in a reported pressure on the existing budget

#### External Fostering pressure £0.485m

Leaving Care staying put options have caused delays in young people leaving their foster carers, thereby reducing the places available for new children with internal foster carers and a greater dependency on external fostering arrangements. This pressure has increased by £120,000 since May due to 13 additional children in care by the end of June.

#### Residential Placements pressure £2.047m

The residential placement budget is not sufficient to meet demand. We have seen an increase in the number of children requiring a residential placement because of their extreme needs and/or extreme levels of risk (for example uncontrolled very violent physical outbursts / vulnerability to child sexual exploitation).

#### Social care agency pressure £3m

The increased numbers of children in the social care system and the commitment to maintain caseloads at 1:20 has led to a need to recruit more social workers. Across London social worker recruitment has become a challenge with many workers preferring to work for agencies because they are paid more and are not expected to show the same levels of commitment.

In Barking and Dagenham our agency/permanent staff rate rose to 50% in March 2015, this is now reducing slowly, and currently stands at 43% . We need to accelerate this reduction.

#### AYSE (The Assessed & Supported Year in Employment) Training Programme pressure £0.365m

As we struggle to recruit one way to do this is to run our own training programme. These trainee social workers are not included in the staffing allocation. They are not included in the budget as they are part of our invest to save work to reduce agency costs longer term.

## **2.5 Safeguarding, Commissioning and Early Help - £0.5m**

These additional pressures are caused by the difficulties of recruiting and the need to maintain Independent Reviewing Officers caseloads to 1:70 (OFSTED, 2013, Review of Independent Reviewing Officers p28 recommends caseloads of 50-70) to allow sufficient case oversight to meet with national standards. This has not previously been built into the Children's Services Budget allocations and is therefore causing a cost pressure.

### **3 What is currently in place to mitigate these pressures?**

#### **3.1 The Social Care Efficiency Programme**

Significant work is underway in a Social Care Efficiency Programme, supported with additional capacity created by the temporary recruitment of a Project Team. This team is supporting the current mitigation projects, and will help Children's Services to put forward, by the end of September, the Business Case to reduce spend, and demand over the next two years. This work will also feed into the 2020 projects.

The Children's Project Team has been established to give Children's Services additional capacity to address significant child population increases in a context of increasing austerity. The aims of the team are three fold:

1. To document and evidence the impact work that has already taken place to manage and reduce demand and cost;
2. To ensure delivery of already identified savings and demand management proposals; and
3. To work with colleagues to identify any new areas of efficiency/change which can help drive down the £11,655,000 predicted pressure this year and prepare for further budget restrictions in the future.

#### **3.2 Children's Services Management Team, have identified the following areas of mitigation against the current pressures**

##### **3.3 No Recourse to Public Funds (NRPF) mitigation target £0.25m**

Work has commenced after reviewing other neighbourhood boroughs on procedures around practices to this cohort and a recent appointment of the Home Office Officer. As a result of this ongoing work it is anticipated a reduction in the over spend of c £0.25m.

Accommodation costs have been reduced considerably in partnership with Housing colleagues. Families used to be housed in the Barking Hotel (around £80-110 per night). These arrangements have been replaced and costs are now a maximum of £45 per night. A saving in the region of £1m. This saving has not been realised in cash terms because the numbers of NRPF have increased to over 130 (increased housing circa £0.3m) and the increased subsistence costs were significant (around £0.4m).

##### **3.4 UASC (Unaccompanied Asylum Seeker Children) mitigation target £0.2m**

A review of placements and the appointment of the Home Office Officer should reduce the reported pressure by c£0.2m.

##### **3.5 SEN (Special Educational Needs) Transport mitigation target £0.318m**

A review of transport routes and increased use of travel training is expected to reduce transport overspend by a minimum of £0.318m. Consultation on a review of eligibility criteria is underway and new criteria should be introduced in January 2016.

##### **3.6 Legal Services mitigation target £0.3m**

Legal planning costs will be reduced significantly due to the pre-planning paperwork and a reduction in court time from 39 weeks to 19 weeks.

### 3.7 PitStop mitigation target £0.030m

The service provision is currently under review of the existing contract in place to reduce the forecast pressure to £0.030m by selling places to other Authorities, whilst negotiations with Newham are concluded. The level of staff provision will be reviewed to reduce the impact of the continuing delay.

### 3.8 SGOs (Special Guardianship Orders) and Adoption £0.054m

Although the spend is exceeding the budget benchmarking has been undertaken which shows this to be comparably lower than statistical neighbours. In addition adoption and SGO provision is more cost effective than placing children in care. An additional grant for adoption placement has been provided by central government of £27,000 per external placement. We are expecting to be able to draw down at least 2 payments from this grant.

### 3.9 Leaving Care mitigation target £0.050m

The LA is currently working in conjunction with other council services, for example housing to reduce the young people waiting for alternative suitable accommodation, as well as other in-house provision models to reduce the reported pressure within children's.

### 3.10 Internal Fostering target £0.400m

Although we are spending beyond the existing budget this provision is significantly cheaper in comparison to placement costs. Work is underway to recruit more internal foster carers. Additional scrutiny is in place to ensure every placement is necessary and children are moved out of placement as quickly as possible, whilst maintaining their safety. Additional corporate monies have been allocated to address part of this pressure.

### 3.11 External Fostering mitigation target £0.353m

We have increased the appointment of internal foster carers which will reduce the external fostering reported pressure, but may increase the internal fostering pressure. In addition additional corporate monies have been allocated to address part of this pressure.

### 3.12 Residential Placements mitigation target £1.900m

Barking and Dagenham is part of the Pan London placements service, which negotiates costs across London. Each placement is negotiated so that the Pan London level is the maximum paid. Our regular review of all residential placements has identified alternative provision for this some of the current cohort of children and young people has led to a reduced forward projection of spend by £0.9m.

A review of contributions from partner agencies, and the introduction of a charging system for some cases, using benchmarking and individual case review should lead to partner contributions (mainly education and health) increasing by around £0.4m.

In addition additional corporate monies have been allocated to address part of this pressure.

Every placement request is challenged and is approved at Director level. Additionally, a further weekly placements review meeting has been established, in the short term, to give additional assurance that costs are being kept to a minimum.

### 3.13 Agency pressure mitigation target £1.1m (plus £0.5m rebate)

A recruitment campaign is underway with a reduction in agency staff to permanent appointment of staff within Children's Services structure. This is starting to impact on the percentage of agency staff, but the pressure on budgets remains immense.

Work has been undertaken with a range of recruitment specialists who have put forward a proposal, which it is proposed is accepted as an Invest to Save scheme, to reduce agency numbers by 94. Although this will cost in the region of £0.75m over two years, the benefits of reduced agency numbers will be significant (circa £1.5m). A cost benefit analysis has been completed which recommends this course of action.

A rebate via the Adecco service will be utilised towards the agency staff costs for those recruited within Children's services.

	January	March	May	July
No. Agency Social Workers	73	80	78	69
No. Perm Social Workers	83	80	81	89

### 3.14 AYSE (The Assessed & Supported Year in Employment) Training Programme mitigation target £0.1m

All training costs are being reviewed as part of the structure to support caseload demands. Costs will be reduced because the cases held by the trainees will be counted in the total social work allocations in future.

## 4 **Safeguarding, Commissioning and Early Help – mitigation £0.12m**

4.1 Management action is being taken to reduce this pressure, including the freezing of vacancies. In addition, other agencies are expected to increase their contribution to Safeguarding Board Costs. If numbers of children known to social care can be reduced the pressure on this service should also reduce.

### 4.2 **End of Year projection considering pressures and mitigation.**

Children's Services are currently predicting an overspend, at year end, of £5.980m. However, this must be regarded with caution, as explained in Section 3, as individual cases can cause extreme financial volatility.

## 5 **Risks and Uncertainties in projecting demand and costs.**

The projected outturn figure does not take into account any additional demand and is very sensitive to increases in the number of children, particularly those with high needs in social care. As an illustration, if numbers were to rise at the same rate as in 2014/15 the following additional pressures would need to be recognised:

Variable	£000
13 additional high cost placements	2,028
3 secure/custodial placements	1,000
40 children entering into care	750
SGO/Kinship care increase, 15 children where courts and family have asked for SGOs rather than adoption	500
SEN Transport and EHC plans, (additional costs for children who have had to travel out of Borough waiting for new special school to open), and delays in implementing new thresholds and routes.	500

The total risk if the increase in demand continued at the same level across all parts of the service could be approximately £7m per year.

## 5.1 Predicting Demand

As part of the social care efficiency programme new tools are being developed to better predict demand. This has included a full analysis of all the factors which impact on demand – ranging from child population data, all the key children’s social care data elements including aspects such as levels of parental substance misuse and domestic violence. A summary of this demand analysis is available from Helen Jenner.

The analysis has been used to help the Project Team create a demand prediction model which will be used to inform Medium term Financial planning and the delivery and commissioning of services.

The model will be able to predict demand, but also to analyse data from across social care including socio-economic data so that, for example, geographical hotspots of need can be identified and targeted.

## 5.2 Managing Demand

Barking and Dagenham has developed a strong ethos of inclusion in universal services and a robust early intervention service over the last 5 years. This has led to contacts to social care moving down from X to Y despite significant child population growth.

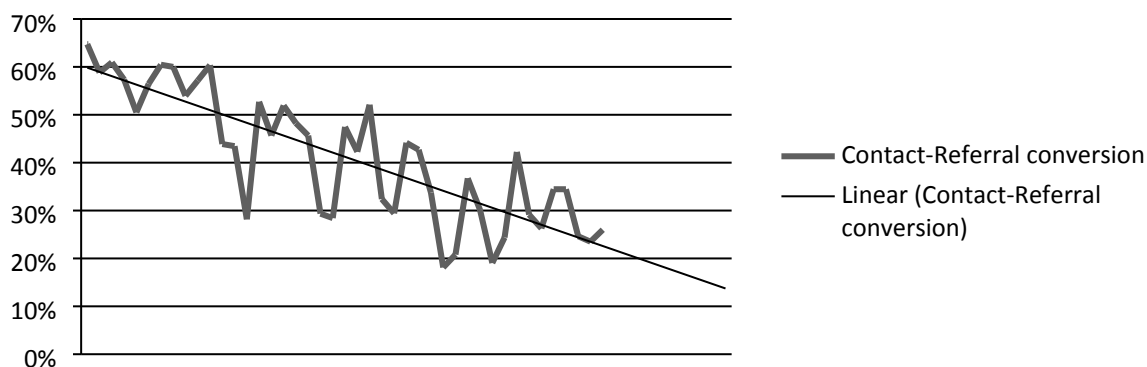
	Population growth	Contacts
2009/10	50288	14833
2013/14	57261	8856
2014/15	58847	8515
Percentage increase (decrease) 14/15 cf 13/14	Increase 3%	Decrease (4%)
Percentage increase (decrease) 14/15 cf 09/10	Increase 17%	Decrease (43%)

### 5.3 Increased expectations from referrals

Barking and Dagenham has a robust Common Assessment Framework protocol. This has helped reduce the contacts to social care and there is strong evidence that this work is effective. However, too many referrals were being made to social care without a CAF having been completed. Whilst this is appropriate for cases where children are at high levels of immediate risk, it is not for children where the risks are associated with emotional harm or neglect.

Increased rigour in insisting that agencies provide full information has led to a recent decrease in the number of contacts converting to referrals, from a high point of 60% in July 2014.

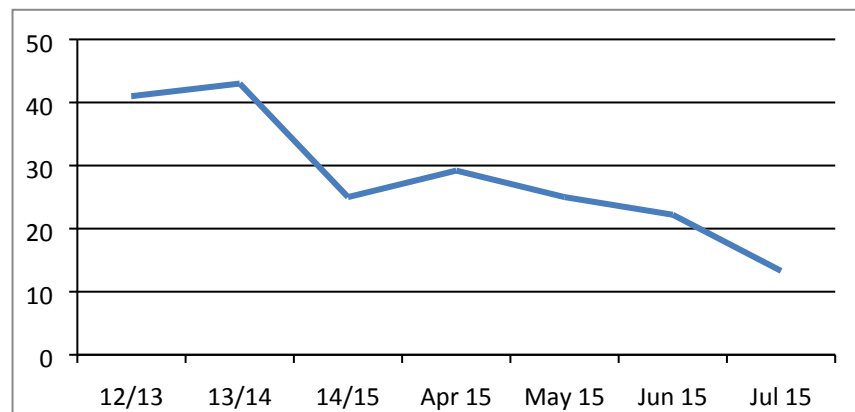
#### Contact-Referral conversion



### 5.4 Reducing Police Protection Referrals

Barking and Dagenham established a Multi-Agency Safeguarding Hub in April 2014.

The MASH has been essential in tackling the high levels of children entering care through police protection routes, which was challenged by OFSTED. The table below shows the reduction in the percentages of children coming into care through police referrals. Although this has improved we remain above statistical, England and London percentages.



Children coming into care through Police Protection Action



Despite these initiatives the number of children coming into care continues to fluctuate, and the trend remains upward, (although numbers are currently (@15.8.15) down 35 from a high point this year of 480, as work has been undertaken to increase the numbers of children leaving care . To reduce costs it is essential that this rate, which is above our statistical neighbours, is driven further down.

The level of contacts and referrals into social care from the police is triple the next highest agency (schools). Work is needed to divert this work away from Children's Social Care.

## 6 Future Plans

6.1 The Children's Social Care Efficiency programme has been established and is looking at 7 key areas. The projects included are:

- Demand Management
- Social Care Workflow
- Support systems for Social Care
- Early Help/Troubled Families
- Financial planning and management
- No Recourse to Public Funds and Unaccompanied Asylum Seekers
- Reducing agency

6.2 The Programme Team and their roles are described below:

- **Helen Jenner: Senior Responsible Officer (SRO).** Acts as the 'customer' of the programme for LLBD and provides programme resources.
- **Ann Graham: SRO for Complex Needs and programme Design Authority.** Acts as the 'customer' for Complex Needs. Approves solutions proposed by the programme.
- **Richard Lundie-Sadd: Programme Manager.** Overall responsibility for delivering the programme and defining its component projects.
- **John Dixon: Project Manager.** Provides support to the project leads. Responsible for activity planning and coordination. Management of risks and issues.
- **Paul Montibelli: Benefits modeller.** Calculates the savings associated with the benefits that the programme aims to achieve, and develops models for future financial planning.
- **Kevin Barr: Data modeller.** Collects data on existing business processes so that benefits baselines can be determined and progress on benefits can be tracked.
- **Richard Tyler: Finance;** provides financial input to models and benefits progress tracking.
- **Barry Waller: Recruitment Manager:** Recruits staff to fulfil the operational needs of Children's Social Care. This activity is tracked by the programme.
- **Beverley Hendricks: Service designer (p/t).** Provides advice to the project teams.
- **Chris Bush: Commissioning expert.** Conducts commissioning studies for the projects.
- **Impower Consultancy:** Developing a cost model which is used to help understand the impact of proposed changes to potential benefits.

- 6.3 A Business Case to drive down demand and cost further is being developed for 15.09.15. The programme will identify work to be undertaken to reduce costs in children's services over the next two years, whilst maintaining safe practices. It will build on existing work, but will identify areas where invest to save work needs to be undertaken to drive out costs.
- 6.4 Key milestones for the project are:
- Start Sept: Detailed mapping of service challenges and potential solutions
  - Mid Sept: Business Case to develop solutions
  - End Sept: Demand Model for future planning complete
  - End Oct: Service redesign and implementation plan confirmed, including dependencies with 2020 programme
- 6.5 As a result of the Children's Services improvement programme and wider management actions savings have been identified to reduce the total pressure to bring the projected outturn to £5,980,000 by March 2015 (see Financial Pressures and Mitigation Summary Chart below).
- 6.6 Work remains ongoing to identify further options and increase the mitigations already programmed.
- 6.7 Early indications from the programme work to date are that costs can be reduced by up to £11m by March 2017. The full Business Case and detailed programme planning will be completed during September.
- 6.8 There are significant risks in such an ambitious cost reduction programme and the Programme will keep close scrutiny to ensure children remain safe and protected through this process. The Director of Children's Services has a duty to report if she feels actions to reduce cost would place children at risk. The cost reductions will therefore be logged with the Local Safeguarding Children Board to ensure the appropriate balance is maintained.

### Financial Pressures and Mitigation Summary Chart

<b>DETAILS</b>	<b>Pressure</b>	<b>CS Mitigation</b>	<b>Corporate Mitigation</b>	<b>Partner Mitigation</b>	<b>End of Year Prediction</b>
Education	100				100
No recourse to public funds	1,600	250			1,350
Unaccompanied Asylum seekers	1,128	200			928
Children Remanded by Courts	300				300
SEN transport	543	318			225
Legal Services	500	300			200
Pitstop	120	30			90
Special Guardians/Adoption	214			54	160
Leaving Care	188	50			138
Internal Fostering	565		400		165
External Fostering	485	153	200		132
Residential placements	2,047	900	600	400	147
Social care Agency	3,000	1100	500		1,400
Training Programme (AYSE)	365	100			265
Safeguarding, Commissioning and Early Help	500	100		20	380
<b>Total Pressure</b>	<b>11655</b>	<b>3501</b>	<b>1700</b>	<b>474</b>	<b>5,980</b>
Expected Mitigation	5675				
Projected Overspend	5980				