

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

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MANAGEMENT ACTION RELATING TO THE FORECAST OVERSPEND WITHIN THE CHILDREN'S SOCIAL CARE DIVISION

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Summary

The report seeks to provide a context and explanation for the current projected overspend in Children's Social Care Service and the management action to reduce it. The Business Support Overview and Scrutiny Committee referred this matter to this committee when it considered the revenue budget monitoring – quarter 1 report at its meeting on 13 August 2013.

1. Budget and Policy Framework

- 1.1 A projected overspend in Children's Social Care has been highlighted through the budget reporting cycle. It is the responsibility of Cabinet to ensure that income and expenditure remains within the budget approved by Council.

2. Background

- 2.1 At its meeting on 13 August 2013 the Business Support Overview and Scrutiny Committee considered a report on Revenue Budget Monitoring 2013/14 – quarter 1. The report detailed the revenue budget forecasts as at the end of Quarter 1 (April to June 2013) and highlighted the major financial risks remaining in respect of the 2013/14 General Fund revenue budget.
- 2.2 Part of the report detailed the forecast overspend in children's social care and the committee therefore recommended the Children and Young People Overview and Scrutiny Committee to consider a report on the £2.2 million overspend within the Children's Care division at its next meeting of the committee.
- 2.3 There is a current forecasted overspend in Children's Social Care division of £2.1m representing variance of +6.85% on the total budget of £30.7m.

- 2.4 This overspend is comprised of approximately £1.3m overspend on costs for Medway's Looked After Children (LAC), primarily placements costs, and £800k additional staffing costs above substantive budget.

3. Analysis

- 3.1 With respect to the overspend position on LAC, there are the following contributing factors;

- 3.1.1. A significantly higher proportion of children are being placed with foster carers via independent or private fostering agencies (IFAs) as opposed to Medway Council foster carers. This represents the majority (£774k) of the overspend due to the considerable cost differential of placing with none in-house carers, and is a reflection of the challenges of recruiting new foster carers to the Local Authority, which is a challenge nationally; and the complexity of the cohort being placed (e.g. children with disabilities, large sibling groups) meaning more specialist and costly provision provided by the private sector is required to meet need. There are currently 70 children in IFAs, although only 59 were budgeted, a +11 position.
- 3.1.2. Similarly, the requirement for specialist provision has seen an additional 3 children placed in residential provision (21 in total) than were budgeted for (19).
- 3.1.3. The placement of Looked After Children follows an assessment of need and matching with appropriate provision that is needs-led rather than resource driven.
- 3.1.4. An increase in the number of LAC young people 16+ and care leavers with complex support needs requiring high-end supported accommodation and staying in these placements post 18, in accordance with statutory leaving care duties for the Council under s24 Children Act 1989 and more recent 'Staying Put' requirements placed on all Local Authorities (in accordance with The Planning Transition to Adulthood for Care Leavers Regulations and Guidance 2010 and the Fostering Regulations and Guidance 2011 (Children Act 1989)). This is applying a £231k budgetary pressure on the service.
- 3.1.5. Finally, there is a forecasted overspend of £284k on Medway children placed for Adoption. There are 2 key elements to this. Firstly, the Local Authority is forecast to be more successful in placing children (49 for 13/14) than was initially budgeted for. However, this is the best outcome for those children, and Medway is above the national average and statistical neighbours in our success in this area. Secondly, the cost of placing children for adoption other than with Medway approved adopters has more than doubled from £13k to £27k.

- 3.2 Regarding the £800k pressure on the staffing budget for Children's Social Care there are 2 key elements;

- 3.2.1 The spend on agency staff to cover vacant substantive posts within the service. This represents 26 whole time equivalent (wte) Social Worker and social work manager posts across all operational areas and

equates to approximately £183k in the differential between salaried and locum pay which is significantly higher. The nature of the work undertaken by these practitioners in safeguarding and protecting Medway's most vulnerable children and young people, means these posts cannot remain uncovered, and the risks associated with not doing so are high. The challenge of recruiting and retaining good quality, qualified and experienced Social Workers is a recognised problem nationally, and in Medway there are additional prevailing factors addressed in the point below.

- 3.2.2 Additional frontline and management capacity required to ensure children's social care services are delivered in a safe and effective manner during a time of transformation on the journey towards improvement. Medway Children Social Care Service has now received 2 critical external inspection reports from Ofsted which found it's Safeguarding (January 2013) and Looked After Children's Services (July 2013) to be 'inadequate'. The inspectorate highlighted critical gaps in the quality of frontline practice and management oversight, and pointed to concerns around extremely high caseloads, volume of work (Medway being an outlier in many areas of activity) and blockages in the system meaning drift and delay in the planning for children, heightening risk. As such, it was essential, and acknowledged by our external Children's Improvement Board, that in order to stabilise the workforce (negatively impacted further by the 'inadequate' ratings), ensure sufficiency to deal with the level of work, and allow temporary additional capacity to develop the skills, competence and confidence of the workforce, that extra staff in the short to medium term were required. This has seen an over establishment supernumerary group of agency social work practitioners and managers totalling £617k.

4 Action

- 4.1 The proposed management action plan to reduce the overspend on LAC includes;
- 4.1.1 Continuation of the scrutiny and oversight provided by our weekly Children's Accommodation and Placements Panel (CAPP) established in May 2013 and chaired by the Assistant Director for Children's Social Care (AD CSC), to ensure that the decisions made both for children to become looked after and appropriate placements to meet needs are robust, evidence and outcome based, and represent value for money.
- 4.1.2 Ensuring any decision to place a child or young person in an IFA or specialist placement is made at Service Manager or above.
- 4.1.3 Joint work between the AD CSC, Service Manager for LAC and the new AD for Children's Joint Commissioning to develop strategies and improve sufficiency and cost effectiveness through early help (preventing children becoming looked after), enhanced procurement of a range of good quality local placements that meet need and improve outcomes, and managing the market more effectively where IFA or residential placement are required.

- 4.1.4 A review of all fostering and adoption rates and allowances paid.
 - 4.1.5 A review and refresh of the Council's fostering and adoption recruitment strategy to increase the numbers of local and in-house foster carers and those willing to adopt, ensuring our campaign is far reaching, targeted and sells the full range of benefits to people who might consider this option, including those who want to foster to adopt.
 - 4.1.6 Build-up the skills and capacity of our in-house fostering resource and through a multi-agency approach to offer more specialist placements e.g. therapeutic, mother and baby.
 - 4.1.7 Continuing to Improve timescales for children to be adopted through a wide range of Family Justice Review initiatives being implemented in Medway (e.g. Permanence Panel, Court Case Coordinator), therefore reducing drift, delays and time spent placed in care.
 - 4.1.8 Introduction of quarterly Placement Panel that reviews all high cost placements and considers more cost effective and local alternatives where appropriate.
- 4.2 With regard to the overspend on staffing in Children's Social Care the key priority is a significant reduction in the volume and longer-term reliance on agency staff in the service. This will be achieved through;
- 4.2.1 The continued wide-ranging recruitment and retention strategies reported on a monthly basis via performance targets to the Children's Improvement Board. The Board and Ofsted see a permanent and stable workforce as a hallmark of a safe and effective children's social care service, and will deliver considerable savings on current locum spend.
 - 4.2.2 HR working across the system to ensure that where agency staff are required that rates are consistent and not excessive.
 - 4.2.3 A reorganisation, currently in progress, of Children's Social Care Service to ensure a sustainable fit for purpose structure which promotes professionalisation of the workforce and career development opportunities, and makes Medway and the service a more attractive environment to come to work in and stay doing so on a permanent basis.

5. Risk management

- 5.1 Children and young people becoming looked after and their subsequent placement is always based on an assessment of need, a threshold being met, and matching identified needs to appropriate provision. Any changes to the numbers of LAC and the types of placements provided in seeking more cost effective provision needs to be needs-led and not resource driven.
- 5.2 Supernumerary staff and agency cover is a necessity to ensure no immediate gaps in frontline service provision, as well as provide temporary additional capacity to support the Council's journey of improvement, and deliver safe

and effective services to vulnerable children in the meantime. Without this in place, the risk both to children and reputationally would be unacceptably high.

6. Financial and legal implications

- 6.1 The financial position of the Children's Care division and proposals to reduce the forecast pressure are outlined in the report.

7. Recommendations

- 7.1 That Committee notes the management action in response to the recent Ofsted inspections and the directorate's proposals to reduce the forecast pressure within Children's Social Care.

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Background papers

None