

BRIEFING NOTE

Children's Services Financial Monitoring and Review 2018/19

Background

Demand on Children's Services is high and continuing to rise across all key areas which include children in need of help, protection and children requiring care. The main factors that have impacted on demand are:

- Complex abuse inquiry and Operation Stovewood – 105 children in care have been referred from these investigations;
- Improved social work practice intervention in legacy cases specifically re neglect; and
- National increase in statutory intervention and a budget shortfall of £2bn predicted by 2020.

The Children's Services current budget for 2018/19 (excluding schools) is £57.4m. Expenditure in 2017/18 was £69.8m and forecast expenditure before mitigating actions in 2018/19 is £72.7m, an in year pressure of £15.3m which has increased compared to initial estimates in March due to a continued net increase, albeit at a slower rate, in the number of children admitted into care. In year mitigations of £5.7m – see 'in year mitigations' below - have reduced this pressure to £9.6m. This position was reported to Cabinet on 9th July 2018.

Demand on the service remains high and has continued to rise across all key areas which include children in need of help and protection and children requiring care. Demand seen at the front door through to children in care and in key service areas is significantly high when compared to our nearest and statistical neighbours with the number of looked after children ('LAC') significantly higher than most of our neighbours.

Looked after Children - numbers (position at end of March)

	2013	2014	2015	2016	2017	Increase since March 2014
Nearest neighbours						
1 Barnsley	235	225	240	280	290	28.9%
2 Rotherham	390	395	405	430	487	23.3%
3 Telford and Wrekin	320	310	295	300	380	22.6%
4 Stoke-On-Trent	480	535	610	655	655	22.4%
5 Tameside	385	425	415	430	515	21.2%
6 Darlington	210	190	200	205	220	15.8%
7 Kirklees	650	610	620	655	700	14.8%
8 Stockton-On-Tees	360	380	375	375	435	14.5%
9 Gateshead	390	355	335	345	380	7.0%
10 Wakefield	440	490	495	480	520	6.1%
11 Doncaster	500	500	480	485	510	2.0%
12 St Helens	440	430	410	410	425	-1.2%
13 Calderdale	335	320	320	300	315	-1.6%
14 Wigan	510	495	505	485	445	-10.1%
15 Dudley	730	755	740	725	675	-10.6%
16 Rochdale	505	530	525	480	460	-13.2%
Statistical neighbours						
1 Redcar and Cleveland	175	175	185	200	235	34.3%
2 Barnsley	235	225	240	280	290	28.9%
3 Hartlepool	185	200	165	205	255	27.5%
4 Rotherham	390	395	405	430	487	23.3%
5 Telford and Wrekin	320	310	295	300	380	22.6%
6 Tameside	385	425	415	430	515	21.2%
7 Wakefield	440	490	495	480	520	6.1%
8 Doncaster	500	500	480	485	510	2.0%
9 St Helens	440	430	410	410	425	-1.2%
10 Wigan	510	495	505	485	445	-10.1%
11 Dudley	730	755	740	725	675	-10.6%

The increased overspend is chiefly attributable to this continuing rise in the number of children in care, which has risen by 119 to 628 over the last year since May 2017, an increase of around 24%, and increased by a net 12 (from 616) since the start of this financial year (+2.0%).

The budget for 2017/18 was sufficient to fund 480 LAC (LAC as at 31st March 2017 was 487) and assumed a reducing reliance on out of authority and independent fostering agencies. Increase demand has meant that a net 148 LAC have entered care with the Council having a statutory duty to find, and pay for, suitable placements for these children and young people.

There has been an unprecedented growth in the number of LAC. LAC numbers have risen from 509 in May 2017 to 628 as of the end of May 2018. The increase in LAC numbers has continued in this financial year from a starting position of 616 in April. This rise in LAC numbers has been compounded by the increasing complexity of children admitted to care requiring more expensive accommodation and rising prices due to market forces. As a result, the in-year cost pressure attributable to a higher number of placements and the increase in unit costs continues to increase. Of this pressure, a significant amount relates directly to complex child protection work, the associated costs of which are substantial.

In year mitigations

A number of mitigating actions or reduction projects have been implemented to reduce in year demand and spend by £5.7m

- **In-house fostering (£500k)**

A net increase of 20 placements with in-house foster carers, assuming the placements are not taken to address unforeseen growth, will deliver cost reduction of between £500k and £1m full year equivalent (FYE) depending on the existing placement cost. To date 3 foster carers have been approved during this financial year providing additional places for step downs from Independent Fostering Agency placements to In-house provision. There are a further 15 assessments that are in progress (assessment of these to be finalised by December 2018).

- **Special Guardianship Orders (£60k)**

The transfer of a further 6 looked after children from foster care to SGOs will achieve minimum cost reduction of £60k.

- **Reduction in the use of agency social workers (£200k)**

Continuing the drive to reduce the use of agency to 10% of the social care established workforce (Rotherham's rate is currently 15%; the national average is 16%) linked to the success of investing in newly qualified social workers, will reduce staffing costs by £200k. As at the end of May the agency rate had fallen to 13.58% with 57 agency staff in place. As at the end of March the corresponding figure was 71 and 16.36%.

- **Regional agency social worker rate (£200k)**

A regional agreement regarding the rate paid for agency social workers will save £200k on top of a committed budget saving. The hourly rate will fall from £35.95 to £30 immediately for newly engaged social workers and from September for existing agency staff. The first savings from this initiative will come through in July (from new agency engagement) with the main monthly reduction from October to March for existing agency staff.

- **Business Support (£200k) / Performance (£47k) & Commissioning (£800k) / Staffing (£789k)**

A review of business support is underway and a revised operating model is due for phase one implementation in September 2018. This new operating model will build on efficiencies derived from the Liquid Logic system. £400k will be earmarked from the revised operational staffing model for Business Support and/or other administrative efficiencies. The 2018/19 delivery will be part year and is estimated at £200k. These savings are dependent upon a significant change in operational behaviours which once embedded will enable phase two to commence which will realise the remaining £300k in 2019/20.

The unachieved saving within Commissioning, Performance and Quality (from 2017/18) has been met in full from April 2018 and commissioning savings through market management are on target to be delivered in 2018/19.

Savings of £789k will be delivered through effective vacancy management throughout Children's Services. All departmental vacancies are currently under review to determine the extent which these can be held vacant to year end.

- **Performance and Commissioning – stretch savings (£150k)**

The Commissioning Performance and Quality Service will find a further £150k in efficiencies which will reduce overall expenditure in the service by over 10%. This is on the basis that the performance resource is retained within CYPS which will be a decision for the new DCS.

The saving in-year will come from contributions from the Clinical Commissioning Group in recognition of joint working and joint commissioning. In addition, commissioning and performance officers who work on Education and SEND services will be part-funded through the Dedicated Schools Grant. A budget saving option for 2019/20 following a review and proposal to rationalise Performance and Commissioning has been developed and work will be done in the next two months to determine whether any changes can be brought forward into this financial year.

- **Emergency Placements (£425k)**

Recruitment of permanent casual staff to reduce reliance on commissioned agency staff for emergency placement cover and a review of the process for approval will mitigate the existing £850k (FYE) pressure. The impact of this initiative will start to show in expenditure from July.

- **Operation Stovewood and Complex Abuse Investigations (£200k)**

Management of spend linked to Operation Stovewood either through securing additional income of circa £200k (from Government) or reducing capacity in line with existing resource. Current spending levels are being assessed to identify areas for efficiencies. Senior officers in the council are proactively speaking with Government departments in order to achieve further funding and capacity levels are being reviewed by the service as part of the wider review of social work pathway.

- **Right Child Right Care (£2,000k)**

The impact of the Right Child Right Care initiative is having the desired and predicted impact on discharges from care. However, there is an ongoing challenge regarding admissions which is affecting the ability to achieve the targeted in-year savings on the cost of placements for children in care.

Demand across the social work service has risen over the last year. However, scrutiny of the increase indicates that the rise in demand was higher from the start of June 2017 to November 2017 than from December 2017 to the end of May 2018. This rise is across the whole of the social work service. It is of note that although demand has risen there has not been an increase in the substantive number of social workers.

The number of looked after children increased by 24% between May 2017 and May 2018. The percentage of growth across the two halves of the year is identical; however the rate of growth in the three months between March 2018 and May 2018 indicates a slowing rate of increase (+3%).

Date	LAC numbers	% increase / decrease		
31/05/17	509	↑ +12% ↓		↑ 24% ↓
01/09/17	516			
01/12/17	568		↑ +12% ↓	
01/03/18	610			
31/05/18	628			

In February 2018 the Right Child Right Care project identified 170 looked after children who were in care who were considered in scope to consider progression towards them being discharged from care either by return to family/kinship care or by the making of a special guardianship order to their foster carers. From the original cohort of 170, 34 children have been discharged from care and a further 13 children who were not originally in scope have also been discharged from care. There are a further 7 children who have been practically discharged from care but IT issues are preventing the liquid logic system being updated (action is being taken to resolve this). In addition there are 7 children currently looked after by virtue of a court order made but who are actually no longer in the UK having been taken to another part of the EU by their parents and we are anticipating a court order will be made to discharge them from care in early July. It is clear that the Right Child Right Care project is prompting social workers and managers to consider alternative options for many children they are working with not just those within scope of the project and as such over time will contribute to the reduction of the numbers of children who are looked after. In addition to this there are extra measures being put in place to ensure that the decision for a child to become looked after is only taken when all other options have been exhausted.

- **Right Child, Right Plan**

Building on the successful and ongoing work of the right child right care project the acting assistant director for safeguarding is leading a piece of work encompassing the concept of right child right plan. There is not a determined cohort of children within the scope of this work as it could apply to all children open to the service, therefore as opposed to working with pre-determined cohorts of children there is work being developed to review plans for children at a variety of stages of intervention. This includes a variety of activity led by a number of senior managers; some of the activity is described below.

The work within right child right plan seeks to build on the signs of safety and restorative practice methodologies and assist in practitioners being asked the right questions at the right time to maximise the chances of the right interventions to achieve positive change being put in place. There is a separate piece of work required to fully review the social work pathway to help us move from a process driven service to a service which minimises transfer points whilst still supporting team managers and practitioners to have manageable spans of control. It is anticipated that the work to progress the review of the social work pathway will take place during July – Oct 2018 with full recommendations being presented in November 2018.

Activity	Responsible Officer(s)	Timescales
Regular review of child in need planning, in particular over 9 months, to ensure timely progression of plans and maximising use of early help to support step down from social work services and family group conferencing to help identify strength within families to develop a sustainable safe plan. This work commenced in the locality social work service during 2016 and is now embedded within the service but remains a high priority.	Service managers – locality social work service reporting to the head of service for locality social work.	Work commenced in 2016 and remains scheduled throughout the year to ensure minimal drift.
Reviewing in detail all children who have become looked after to understand in 'live' time why they became looked after and reflect this learning back into the service.	Acting assistant director alongside heads of service. It is anticipated that this work will become a shared responsibility between heads of service and the service managers for locality social work and duty services with oversight from the assistant director.	Commenced in May 2018 and is scheduled to continue monthly.

Robust challenge being led by the safeguarding chairs in respect of querying whether child protection planning is required as opposed child in need planning.	Service manager for safeguarding reporting to head of service for safeguarding, quality and learning.	Commenced March 2018, some more work is required to detail activity for next 6 months.
Review of decision making process in respect of legal planning.	The work is being led by the head of service for first response in conjunction with the other heads of service and reporting to the acting assistant director.	Commenced June 2018 anticipate recommendations during July 2018.

Further savings for implementation in this, and future, financial years are being evaluated and include

- A review of the use of consultancy;
- A further review of non-social care vacancies;
- A review of case-holding agency workers will be progressed and will evaluate the impact on average caseloads of reducing these agency staff numbers. The financial appendix assumes a reduction of agency workers to result in an average caseload of 20.

Work is underway to look at how to best scale up existing evidence based interventions to further reduce expenditure in 2018/19 and future years.

A realignment of the Early Help budget to release up to £1m to redirect into targeted edge of care services has been delayed until the end of 2018/19. The urgency to maximise benefits in 2018/19 and to guarantee the full year cost benefit in 2019/20 would support upfront investment in order to enhance the Edge of Care offer.

Further work as outlined above is underway and will include possible acceleration of any schemes brought forward for savings in 2019/20 and 2020/21. Budget review meetings continue and have identified a number of further budget savings options and considerations for this financial year. A challenging examination of potential efficiencies is underway, recognising the need for these to be thoroughly reviewed, discussed and considered so that the Directorate can bring forward options for immediate implementation. Proposals are being actively pursued to identify savings in the current financial year, having due regard for the continued safeguarding of vulnerable children. These high level options may deliver significant further savings in this financial year if agreed. Reducing the budget pressure remains a priority for the service.

Progress of Sustainability Plan Initiatives

In November 2016 Children and Young People's Budget Sustainability proposals were presented to Cabinet as part of a wider report updating the Council's Medium Term Financial Strategy (MTFS). The report recommended setting a budget and financial plan over the period through to 2020/21 which would enable the delivery of sustainable children's social care services. The relevant performance of each is provided below

• **CYPS 1A – Foster Carer Payments Scheme, Support and Development**

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	0.442	0.442	0.000
Cost Reduction (Gross £m)	(1.286)	(1.286)	0.000
Cost Reduction (Net £m)	(0.844)	(0.844)	0.000
Additional Foster Placements	15	15	0

The implementation of the allowances offer, better wraparound support and a dedicated marketing officer have been successful in exceeding the targeted growth in the net number in local authority foster carers. There have been 3 foster carers approved so far in 2018/19 with a further 15 assessments in progress.

• **CYPS 1B – Therapeutic Service**

This budget investment was for additional clinical practitioners to deliver highly responsive and intensive interventions for Rotherham's children in care identified as needing it most. The recruitment process was completed in 2017/18.

• **CYPS 2 – Family Group Conferencing**

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	0.000	0.000	0.000
Cost Reduction (Gross £m)	(0.462)	(0.462)	0.000
Cost Reduction (Net £m)	(0.462)	(0.462)	0.000
LAC Reduction	27	27	0

Family Group Conferencing is an effective tool for identifying and engaging with wider family members at an early stage of concern about a child. This initiative seeks to minimise the financial pressure within the LAC budget by working to prevent children entering the care system. The team are currently accepting 15 referrals a month. As at the end of the last financial year, the FGC team had accepted referrals for 146 families and completed conferences for 61 families or 138 children.

• **CYPS 3 – Special Guardianship Looked After Children**

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	0.051	0.051	0.000
Cost Reduction (Gross £m)	(0.132)	(0.132)	0.000
Cost Reduction (Net £m)	(0.081)	(0.081)	0.000
LAC Reduction	6	6	0

Special Guardianship Orders (SGO) offer the opportunity for family, friends or existing foster carers to give a permanent home to the child without Social Care input. There has been an increase during the first two months of 2018/19 with the figure moving from 226 to 243 as at the end of May 2018.

• CYPs 4 – Pause Project

Rotherham works with a number of mothers who have had multiple children taken into care. 'Pause' works entirely outside of the usual local authority structure and independently of the social care services. The programme engages with mothers on a one-to-one basis, creating a bespoke programme of intensive therapeutic activities and practical support. Women working with 'Pause' are supported to focus on themselves to take control of their lives. The 'Pause' report was has previously been presented to DLT identified that over a three year period 434 children were affected.

• CYPs 5 – Edge of Care

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	0.000	0.000	0.000
Cost Reduction (Net) (£m)	(0.429)	(0.429)	0.000
Net Saving	(0.429)	(0.429)	0.000
LAC Reduction	24	24	0

The Edge of Care Service offers structured direct support to young people and their families in crisis, to enable them to remain within their immediate or wider extended family. As at the end of the last financial year the Edge of Care team had worked with 81 children. Of these 8 were looked after with a plan to return to birth families. To date, 2 children have been reunified and 5 are on track to return home. 1 young person will remain 'looked after'. However, the work with the Edge of Care team has established that this is the most positive outcome for the young person. 2 young people have become looked after whilst on caseload, and a family of 3 children has moved away from Rotherham whilst on caseload. All other children on caseload have not become looked after.

• CYPs 6 – Multi-systemic Therapy (MST)

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	0.000	0.000	0.000
Cost Reduction (Net) (£m)	(0.088)	(0.088)	(0.044)
Net Saving	(0.088)	(0.088)	(0.044)
LAC Reduction	4	4	0

MST is an intensive therapeutic programme that works within the whole ecology of a young person. The MST therapist will work with the whole family; the parents, the community and the school at the same time. The aim is to work in a solution-focused, strengths-based approach to empower the family to take responsibility for solving problems and to improve family functioning. The model acknowledges the fact that the family will be there for the young person into the future and beyond any service intervention. A shared service agreement is in place between Barnsley and Rotherham. This means that each authority shares fifty percent of the cost and fifty percent of the capacity. The cost of this to RMBC is met through the Troubled Families Grant and so there is no call on mainstream resources to fund this investment. It is estimated that MST could prevent four children entering care per year.

• **CYPS 7 – Reunification Project**

The reunification scheme was delivered from April 2016 by the NSPCC and was due to run for two years. The second year was decommissioned at the end of March 2017 following a review of the expected outcomes. The expected reduction in LAC and cost reduction will instead come from over achievement of Family Group Conferencing. An alternative reunification service is being developed through an application to the Life Chances Fund. It will involve delivery of a new adaptation of MST (Family Integrated Transition) and is earmarked for implementation in early 2019.

• **CYPS 8 – Single Assessment Review Duty Team**

As part of the improvement journey the timeliness and quality of assessments has been a key focus. Moving from a four to a five Duty team structure and a cycle of 20 days between each duty week will improve the ability to progress work and afford the team manager sufficient time to provide robust management oversight and complete all management tasks. This investment in a fifth duty team is time limited for two years from 2017/18 by which time performance is expected to have improved sufficiently through embedded improvements in work practice and with a settled workforce. Duty Team 5 was in place, effective 1st April 2017.

• **CYPS 9 – Appointment of Newly Qualified Social Workers (x22)**

	Target 2018/19	Forecast 2018/19	(Favourable) / Adverse
Investment (£m)	(0.450)	(0.450)	0.000
Cost Reduction (Net) (£m)	(0.330)	(0.330)	0.000
Net Saving	(0.780)	(0.780)	0.000
Agency reduction	11	11	0

In order to meet the demands of the Workforce Development Improvement actions in the Children and Young People's Service Improvement Plan, the Council embarked on a recruitment drive to bring in a cohort of Newly Qualified Social Workers (NQSW) into the Children and Young People's Services. The recruitment of 22 permanent newly qualified social workers filled existing social worker vacancies and enabled the reduction in 22 agency workers; reducing cost and creating a permanent stable workforce.

It is important to note that because of the statutory nature of social work a need to keep caseloads manageable and meet the statutory timescales for service delivery a level of agency staff will always be required. The Directorate intends for this to be less than 10%, it is currently 12%, against a national average of around 16%.

The number of agency workers in Social Care has fallen from 77 as at 1st April 2017 to 57 as at the end of May 2018, a reduction of 20 or 26%.

- **CYPS10 – Workforce Development and Practice Improvement**

Professional social work practice in Rotherham has been the subject of much scrutiny in recent years. The quality and impact of Social Work is one of the key issues leading to the inadequate OFSTED judgement in 2014. In order to ensure that the quality of Social Work practice consistently and systematically improves, a learning and development programme for Social Workers, through the professional journey from 'Assessed and Supported Year in Employment', through the practitioner career and into Management and Leadership levels is essential. The most improved local authorities (Hackney/Leeds) have demonstrated the importance of linking social work development to professional methodology in achieving better outcomes (both for children and on inspection).

It is essential that Rotherham Council invest in the training and development of its Social Workers, in order to improve practice and produce better outcomes for children (potentially leading to longer term savings across the corporate function), reduce the risk of continued inadequate OFSTED judgements and help to improve the retention of Social Workers in the borough in the longer term.

Across the directorate the new methodologies of Signs of Safety and Restorative Practice have been rolled out. Care leavers and Looked after Children have also been trained in Social Pedagogy.