

Report of:	Sue Butcher: Executive Director of Children’s Services Cllr Antony High: Deputy Mayor and Lead Member for Children’s Social Care
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Submitted to:	Executive - 24 November 2020
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Subject:	Invest to Save Proposal; Reducing High Cost Placements and Improving Outcomes for Children in Care
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Summary

Proposed decision(s)
<ul style="list-style-type: none"> • That the Executive notes the progress made by the current Innovate project to <ul style="list-style-type: none"> ○ Improve care planning and therefore outcomes for children looked after, ○ Reduce spend on high cost residential placements thus increasing cost avoidance. • The Executive are asked to note the proposal to extend the project for a period of 24 months. This will be reviewed on a 3 monthly basis to monitor effectiveness and agree if further continuation is required. The funds for the extension of the project are coming from existing budgets.

Report for:	Key decision:	Confidential:	Is the report urgent?
Executive to note.	No.	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
This plan contributes to the delivery of the strategic plan to deliver better quality services and outcomes to vulnerable children.		

Ward(s) affected
Children, young people, their families and carers will live in wards across Middlesbrough

What is the purpose of this report?

1. This report outlines the benefits of the proposal for improving outcomes for Middlesbrough's looked after children. If accepted it will result in improved care planning and more appropriate placements such as children returning to in-house provision in the Middlesbrough area, moving from residential care to foster care again in the Middlesbrough area and in some circumstances home to birth parents where it is safe to do so.
2. There are significant cost benefits to the local authority as the current spend on external residential placements is a significant financial pressure.
3. The current project has been in place since July 2020 and has evidenced impact to date. The proposal is to extend the project for a further period of 24 months from January 2021.

Why does this report require a member decision?

4. The Council's Scheme of Delegation gives the Executive collective responsibility for financial management and monitoring. Standing orders and financial procedures require Executive oversight for taking in year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.
5. This report provides the necessary information to enable the Executive to discharge its responsibilities, setting out:
 - A progress update against the existing project.
 - The proposed work to be undertaken in phase 2 of the project if the proposal is agreed by the Executive.
 - The financial projections for Phase 2 should the financial investment be agreed.

Report Background

6. Middlesbrough Council Children's Services has a significantly high number of children who are looked after. We are outliers in the North East region and have the second highest rate nationally of looked after children per 10 thousand of the children's population under 18. It is well documented that although some progress has been made and there is a clear improvement plan in place, social work practice is still inadequate. A key focus for improvement is the service offered to children who are looked after and care leavers. Care planning needs to improve to ensure that children are looked after in the most appropriate placements and that we reduce drift and delay for children achieving permanence in their forever homes. There is rigorous scrutiny and external regulation to monitor the progress of the improvement plan through the Strategic Improvement Board, the activity of the Department for Education, our Commissioner and also the regular inspection activity from Ofsted for an inadequate local authority.
7. There are high numbers of looked after children living in external residential placements, often at a considerable distance from Middlesbrough. These placements are high cost and place a considerable pressure on Children's Services budgets.

Currently there are 73 external residential placements which cost the local authority a current total of £12.4m per year.

8. In July 2020 Innovate were commissioned for a period of 6 months to deliver a managed social work project for Middlesbrough which focuses specifically on children in external residential placements and also children who were looked after but needing focused work to progress them to permanence. They are working with 90 – 100 children at any point from the following key cohorts:
 - Children in residential placements who need support to move on (back to Middlesbrough, on to foster care or home to birth parents).
 - Children in fragile foster placements to prevent the placement breaking down and the need for a residential placement.
 - Children on Care Orders, including where children are placed at home with parent where the order can be discharged and children can become the subject of Special Guardianship Order. This means that they are no longer a looked after child.
9. For the purpose of this report, the information provided will focus on the financial impact of working more effectively with the cohort of children placed in high cost external residential placements. There are additional benefits to working with children in fragile foster placements for example preventing further spend and children on care orders which require discharge thus reducing the overall CLA population which are considered in other impact reports.
10. The project team has been closely monitored through weekly risk and issues meetings with the Director of Children’s Care and senior managers to evaluate impact. The mid-point project review took place on the 22nd October 2020. The project end date currently is December 2020.
11. The next sections of this report will consider impact to date and also projected impact should the project be extended for a further period of time.

Innovate project impact July – October 2020

12. To date, the progress of the project has resulted in direct savings in year, 2020-21, estimated to be £385k with a full year effect next financial year of £797k. This is likely to increase by a smaller amount in current financial year and more for the full year effect for 2021-22 due to work still in progress.
13. The cost of the service for phase 1 has been £273,000, so it is clear at the mid-point that it has already achieved its invest to save ambition.
14. Throughout the first phase of the project there is evidenced impact of improved care planning for children, improved outcomes and securing more appropriate placement options for the identified cohort of children.

Potential impact for phase 2 of the Innovate project.

15. A further cohort of 27 children and young people have been identified for a potential phase 2 of the project. Should the project continue, in depth assessments would be undertaken to identify the most appropriate care planning options and next steps.
16. It is important to note that all of the children in this cohort may not return home as a first step and therefore realise full cost avoidance. Following full assessment at the start of phase 2, some children may go to fostering placements or to in house residential placements so there are still associated costs but at a significant reduction to external residential placements
17. If we impact on a further 10 external residential placements in the next 6 months, the cost avoidance based on an average weekly cost would be an estimated £1.8m for the full year. This assumes that the 10 young people in phase 2 will have moved placement by 1st April 2021, allowing for a full year effect.
18. Indicative costs for continuing the project for 12 months would be approximately £560,000.

6 month projection based on 10 Young people moving by 1 st April 2021							
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total
Projected saving from External Residential (£k)	-125	-155	-150	-155	-155	-150	-890
Cost of Innovate Team (£k)	45	48	46	48	48	46	281
Net Saving to Council (£k)	-80	-107	-104	-107	-107	-104	-609

Please note:

Figures in table are in £k

What decisions are being asked for?

19. That the Executive notes the progress made with the current Innovate Project to improve care planning for children looked after, improve outcomes and also reduce high cost spend.
20. That the Executive notes the proposal to extend the current contract for a period of 24 months. This will be reviewed on a 3 monthly basis to monitor effectiveness and agree if continuation is required.

Why is this being recommended?

21. This decision is being recommended in order to improve care planning for children looked after, improve outcomes and potentially reduce high cost spend.

Other potential decisions and why these have not been recommended

22. The other potential option would be an attempt to manage improvement with existing resources.

Impact(s) of recommended decision(s)

Legal

23. The council has a legal duty to care for children who are looked after.
24. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Financial

25. Failure to control demand led costs in Statutory Children's Services are the most significant risk to Medium Term Financial Plan assumptions.
26. Placement costs of Children Looked After are a key cost driver in this area and timely and appropriate step down from high cost placements is essential to operating these services within budget over the medium term.
27. Timely and appropriate step down is built upon the foundations of high quality social work practice and, at this point in the improvement journey, sourcing specialist expertise through the Innovate project represents a Value for Money approach to providing high quality practice.
28. The Children's Improvement Plan focuses on improving all areas of social work practice and will specifically build the skills in relation to placement step down to allow this work to be carried out by Middlesbrough Council staff in the future.
29. The extension of the project will be financed from existing budgets.

Policy framework

30. No policy framework implications have been identified.

Equality and diversity

31. The improvement work promotes effective work with groups who have protected characteristics.

Risk

32. There are a number of risks included in the risk register which outline the issues of failing to improve services to children.

Actions to be taken to implement the decision(s)

33. If the proposal is progressed the council's procurement framework will be followed.

Appendices

N/A

Background papers

N/A.

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