

SCRUTINY REPORT

OVERVIEW & SCRUTINY BOARD

15 OCTOBER 2013

BUDGET PRESSURES - SAFEGUARDING VULNERABLE CHILDREN

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PURPOSE OF THE REPORT

1. To present information to the Overview and Scrutiny Board which addresses predicted future budget pressures and to provide information about the measures that are in place to address these issues and ensure that there is adequate budget provision without continuously resorting to contingencies.

EXECUTIVE SUMMARY

2. Wellbeing Care and Learning has developed a strategy to manage costs as a short to medium term measure; in the longer term the only solution is to manage demand through the development of effective early help for children and families in Middlesbrough.

BACKGROUND AND EXTERNAL CONSULTATION

3. Demand and growth are incredibly complex issues and particularly difficult to accurately predict. Many factors influence both the numbers of children and young people who will require services and the cost of providing services.
4. It has been difficult to update previous demand models; the department has undertaken a detailed analysis of trends over an eight year period and projected these forward to establish a position until 2016/17. The model that has been developed is less complex and it is simpler to project trends. As ever, when modelling projections, there will be a degree of error within the model.
5. The model illustrates that across both Children's and Adults Services, the cost of growth to 2016/17 will be in the order of £16 million, £9.5 million for Children's Services. In Children's Services, strategies have been put in place to reduce financial commitments. The following key factors will have an impact on growth and demand in the future:

- 0-19 population to grow by 1% to 36,650
- High survival rates of children born with complex needs
- High level of low birth weight babies
- Welfare reforms
- Economic situation
- National impact of Serious Case Review findings

6. Fundamentally, there are only two ways to address growth and demand:

Reduce the Numbers

7. In order to address the increasing numbers, there is a need to recognise the challenge facing the Council in terms of life expectancy, lifestyle and hope and aspirations within Middlesbrough. The strategies to address this are prevention through early intervention and confident, sound risk management.

Reducing the Costs

8. There are already a number of actions in place as part of a strategy to reduce costs, which were shared with the Overview and Scrutiny Board earlier this year. They are within a context of more effective commissioning, challenging providers of high cost placements and the developments within the town around early help and family based support.

Measures to Address Increasing Costs in Children's Services

9. In April 2013 it was reported to the Overview and Scrutiny Board that the Safeguarding and Specialist Service was under sustained pressure from increasing numbers of looked after children and children requiring protection plans. Whilst the pressure remains, the numbers appear to have stabilised, despite increasing numbers of family carers approved as foster carers affecting the overall number of looked after children, 60 of the current 366 looked after children are children placed with families and friends (connected persons).

	2 April 2013	30 September 2013
Child Protection	272	239
Children Looked After	374	366

10. Whilst the numbers indicate a decrease in child protection numbers, the number of looked after children fluctuates around 370.

11. Middlesbrough's numbers continue to be high in comparison with neighbouring authorities and statistical neighbours; however, figures recently released by the Department for Education show that neighbouring authorities have seen significant increases in the number of looked after children.

			Per 10,000	Per 10,000	Increase since 2009
	2009	2013	2009	2013	
Stockton	235	360	55	86	56.36%
Redcar & Cleveland	140	175	47	63	34.04%
Hartlepool	150	190	72	95	31.94%
Middlesbrough	275	360	87	114	31.03%
North East	3,250	4,220	61	80	31.15%

12. It continues to be difficult to forecast a time when there will be a significant reduction in these numbers and it continues to be recognised that this is not a sustainable position for the Council from both a financial and resource perspective.
13. The impact of the Early Help Strategy has yet to make a significant impact on the numbers of looked after children; however, there are clear signs that the strategy is becoming embedded within practice across all agencies in Middlesbrough and it is expected to have an impact on numbers in the coming year.
14. In the meantime, the Board was advised that a number of strategies have been put in place to alleviate the financial and resource pressures.

Increasing In-house Fostering Services

15. The Fostering Service has been set a target of increasing capacity by creating 40 new foster families by 31 March 2014, a 50% increase in numbers. The current number of foster carer families is 85; there are a further 11 families being assessed with nine booked into Family Placement Panel. A further 10 applicants attended a Preparation Group in September and there is a further family booked in to a Preparation Group in January 2014.
16. The recruitment campaign continues and the Service is about to embark on a further promotional campaign which will include TV advertising, as this was a successful element of the previous campaign. The increase in in-house foster carers will produce in year savings this year of £374,000.

Reducing the Costs of External Placements

17. The Wellbeing Care and Learning Commissioning Team has been undertaking a review and challenge of the cost of current external placements; whilst it yielded some savings, the exercise has demonstrated that the Council has generally secured optimum financial arrangements for placements.
18. The Placements Officer has already secured savings of £225,000 in this financial year through firm negotiation, challenging costs and identifying overcharging.

Increase Capacity in Five Rivers Children's Homes

19. The Council continues to negotiate with Ofsted about increasing capacity in the three children's homes. Unfortunately, the Ofsted registration process that will cover the transfer of the three homes back to Middlesbrough Council control is not progressing as quickly as had been anticipated; in the main this is due to Ofsted's internal processes. As a consequence, it has been agreed with both Ofsted and Five Rivers to delay the transfer, which was originally set for 1 October, until early February 2014. This will inevitably delay the implementation of the extra beds.

New Contracting Arrangements for Dedicated Residential Beds

20. Agreement for the exclusive use of four residential beds has been reached with Advanced Childcare Ltd at a favourable rate to the Council. The Council is currently using all four beds.

Develop In-house Residential Provision for Disabled Children

21. The Council is working closely with Erimus to develop new provision. Agreement has been reached to provide an interim solution and a permanent purpose built solution. Officers are actively considering sites that could be developed.

Problematic Young People

22. The Youth Team became operational on 5 March 2012. The work of the team is currently being evaluated to determine whether it has had an impact on reducing the numbers of young people who become looked after.

Developing Alternatives to Care

23. The pilot Emergency Support scheme has demonstrated the benefits of providing alternative strategies to taking children into care. The Resources Review will provide increased flexibility to respond to families in crisis and provide alternatives to care.

CONCLUSIONS

24. This report has described the challenges of both predicting and responding to demand. There are a number of short and medium term measures to manage cost; however, managing demand is significantly more challenging as it is reliant on factors outside of the Safeguarding Service. Demand will only be managed more effectively when all of the agencies, including schools, adopt the Early Help model that has been implemented within Middlesbrough to ensure that children and their families receive timely interventions from confident, appropriately skilled services.

25. The Early Help Strategy was launched in October 2012; it is now demonstrating the benefits of early intervention and working in partnership with parents. It will take time for Early Help to have a significant impact on demand.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

26. There are significant implications for the Council's budget if the continued increase in children looked after numbers continue to increase. Whilst the measures that are described within this report will mitigate costs, a significant change in culture across all services within the town is required.
27. The Director of Strategic Resources prepares the revenue budget each year, it is then agreed by the Mayor and Council. A number of assumptions are applied, one being demand led pressures for children for 2013/14; £1 million was allocated for demand; however, budget monitoring indicates increased demand led pressures for 2013/14. Pressures and savings are reported through the budget monitoring process along with mitigation measures to address the pressures wherever possible; for example, a number of activities have already reduced the cost of some placements; this is regularly monitored. The current Medium Term Financial Plan makes provision for the demand that has been identified - £9.5 million up to 2016/17.
28. There are no specific legal or ward issues.

RECOMMENDATIONS

29. The contents of this report are noted.

REASONS

30. To provide Members with detailed information to support the report that was presented at Overview and Scrutiny Board on the 30 April 2013.

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