

Director of Children's Services - Budget Report

Reason for Report	As part of the Actions proposed in the Budget Monitoring Report to Cabinet on 11 November 2020, the Director of Children's Services was requested to set out in the next 2020/21 Budget Monitoring Report the budget variances within the service area and the actions being taken to bring the budget into balance.
Summary of Issues and Actions Taken	In the first year of the new council, the overspend on children's services budget at outturn (March 2020) was £2.5 million. This budget is to a large extent demand-led and unpredictable. Establishing the right base budget is difficult for all local authorities and especially a new council. For several years now, around 60% of local authorities have overspent this budget, so it is a constant worry and pre-occupation for all local authorities, not just BCP. Placement Cost of Children in Care - £4 million The number of children in care and average costs of placements are rising The 2020/21 budget has allowed for £0.9 million of growth with the projection at the end of September an overspend of £4.0 million on a budget of £13.2 million (30%). These figures include in-house fostering, unaccompanied asylum seeker children, and special guardianship orders. The September position has remained static against the August level and there has been no further increase to the overspend position. There remains a level of contingency/growth of £0.8 million within the £4.0 million forecast overspend. This is to allow for new placements/cost increases over the remaining months to March 2021 The pressure had already started to emerge in the final quarter of last year with a spike in spend between December 2019 and March 2020 of which £0.4 million was due to late and unavoidable new placement costs and occurred too late to be able to make any budget adjustments for 2020/21. Placements for the most vulnerable children and young people in care to the council are expensive. This can be as high as £1.2 million year for one child, who may perhaps need a 4:1 staff ration (4 carers to 1 child). The spectrum of children in care ranges from children who can be safely looked after by a kinship carer or a foster carer without undue difficulty, right the way through to a young person with the highest level of complex needs, who often has exceptionally challenging behaviour. During the Covid period the LA has been reporting weekly to the Department for Education increase of placement costs of between 10 and 20% this is a national problem which locally is being addressed through a review of the sufficiency strategy, demand management and market capacity. A demand management approach is being taken which will contribute to reduce immediate and medium term pressures on resources and costs by focusing on reducing new demand for services, by improving consistency of practice and statutory thresholds in tandem with appropriate and timely interventions for young people and families already in the care system. These approaches will include addressing previous legacy practice which has contributed to significant demand for resources and expenditure for specific cohorts of young people for which there has been no historical budget provision. This includes appropriately 89 young people, who at a current annualised cost of £8.0m, have remained in high cost residential settings for too long largely due to a lack of timely and rigorous planning of interventions. These cohorts of young people will be reviewed over the coming weeks to ensure services and planning will achieve optimum outcomes and opportunities for young people and ensure services are appropriate and value for money.

There is an acute national shortage of suitable placements for this latter group of children and young people. For example, one child in care to BCP was the subject of a court order for secure accommodation, yet for months there was no available bed in England. The same happened last week, so this is now a chronic systemic national shortage. This usually means social workers and their managers deal as effectively possible with the highest levels of risk but with limited options.

The shortage of skilled foster carers who can work therapeutically with children and young people with the most complex needs is also a national problem, not just in BCP. A core workstream within the CS improvement programme is to build greater placement sufficiency at an affordable cost. Improved commissioning arrangement will be part of this workstream to reduce spend on independent fostering agencies, whose costs are considerably higher than in-house options.

Staffing Budgets - £1.6 million

The other major in-year budget pressure is on staffing. A major improvement programme is underway in children's services so that services meet national standards. Workstreams include increasing the quantum of permanent staff and reducing spend on agency staff with the associated premiums. This is about BCP establishing itself as an employer of choice in the region.

Another unavoidable in-year cost is on experienced interim managers who have had to be brought in to run specific services where performance and quality of services falls well short of expectations. The scale of this problem was not understood until the summer of 2020. Without these staffing additions, improvements cannot be guaranteed in a timescale children and young people need and deserve. A proportion of this expenditure will have to be continued into 2021/22 but the intention is to keep this at a much lower level. This depends upon significant sustainable improvements being made in the next 6-9 months.

Loss of income - £0.7 million

This pressure in the main is due to the pandemic from lost income from private fostering fees (for example, from language schools which have significantly reduced activity), adoption fees, educational psychologist (due to reduced school activity) and from council-run nurseries.

Service Improvements funding request- £0.3 million

- A Service Manager for the MASH (multi-agency safeguarding hub): this post is an essential building block for handling incoming referrals safely and managing a demand reduction and ensuring safe transfers to other services;
- Additional capacity for legal work including a case progression officer to handle PLO cases (public law outline cases), of children for whom the local authority is seeking a degree of control through the family courts. These are some of the most serious abuse, neglect and exploitation cases with currently too much delay in the system with permanence plans for children not being sharp enough in all cases.
- Additional service manager and other support to provide additional capacity and capability for early help and SEND services.

Additional Support to Schools due to Covid - £0.25 million

This was contingency set aside early in the pandemic with the need for this under review.

Next Steps	Children in Care (CiC) placement forecasting Under new management, CS has begun to get a grip both of their budget and the needs of the service. Profiling of children in care has been carried out systematically which will result in a much better predictor of future placement cost requirements. These placements are now subject to continuous intensive review, aiming to give children earlier permanence in their lives and to reduce drift and delay in care plans which leads to an escalation in costs. Employee change control process Children's Services has recently introduced a change control process which requires authorisation before any temporary or permanent recruitment takes place, or if there is a requested change for existing staff (i.e. increased hours). This is a new mandatory process and no changes or appointments will be made without the correct process followed. It requires sign off from finance to confirm budget/funding is available, HR to confirm posts are in the establishment and to make sure recruitment process is followed with overall sign off from Directors. Any agency recruitment should be through the Comensura framework and only in exception circumstances should off framework contracts be awarded and requires Service Director and DCS sign off. Recruitment Campaign BCP has recently introduced a temp to perm recruitment campaign. The campaign covers all roles between social worker and service managers (this agreement excludes high value agency leadership). The intention is to reduce the current high use of agency staff and replace with permanent staff. This temp to perm approach offers both parties an opportunity to 'try before you buy' and if successful the candidate is taken off agency and put on payroll as a permanent member of staff in an established post. The authority pays an introduction for successful candidates. This should mean fewer agency staff and subsequently savings on agency fees. Cost sharing arrangement partners Steps are also being taken to establish a better basis for sharing costs and risks with external partners, especially the local NHS. Options are being looked at, including strengthening the current complex cases panel arrangement, or moving to a single pooled budget under s75 of the 2006 NHS Act.
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