



Report to: Cabinet

Date: 27/08/09

Subject: Children's Social Care Revenue Budget Monitoring as at the 31st July 2009

Report of: Executive Director of Children and Young People's Services / Executive Director Business Support Services

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Purpose / summary: To report on the budget monitoring position for Children's Social Care Services as at 31st July 2009

Alternative options considered and reason for selecting the one recommended: Due to the volatile nature of a number of needs led social care budgets it has been agreed that monthly monitoring is provided for members to alert them to potential problems at the earliest opportunity.

Recommendation / decision: The content of the robust budget monitoring report be noted.

Risks / Implications:

Financial: As at 31st July 2009 there is a predicted years end overspend of £3,967k in respect of the Social Care element of the CYPS budget.

Staffing:
Policy:
Equal Opportunities - Has a
Diversity Impact Assessment

been conducted?
Wards affected:

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? **Yes / No ***

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? **Yes / No ***

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **Yes / No ***

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	x
Discussion leading to a decision	
Monitoring	x
Sharing for corporate understanding	

	x
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
		27 August 2009	

List of Background Papers in accordance with Section 100D of the Local Government Act 1972:

Title of document	Which meeting did it go to?	Date of meeting	Copy available from?
July 2009 Budget Monitoring Social Care	N/A	N/A	

Proper Officer



Date

17th August 2009

**Children and Young People's Services
2009/2010
Social Care Budget Monitoring Update
As at 31/07/2009**

1. Introduction

The following analysis **excludes** all school budget activity, either delegated to schools or centrally held and any other Education base budgets
The purpose of this report is to highlight the **main** areas of concern with regards to the Social Care element of the CYPS budget in 2009/10.

2. Social Care

The out-turn position for the Social Care element of the CYPS budget is estimated to be an overspend of £3,967 (000's). This figure **excludes** any staff budget savings which might accrue from the current level of vacancies referred to later in this report. This overspend is therefore made up as follows:

	£000's
Looked After Children (3.1)	£3,105
Potential Additional cost – 16 Searches	£ 762
Public Law Fees (3.3)	<u>£ 100</u>
	<u>£3,967</u>

3.1 Looked After Children

The predicted year end overspend reflected above is made up as follows:
The following is based on confirmed cases as at 14.08.09...

	£000's
OOB Children's Homes	£1,486
Agency Fostering	£711
Secure Accommodation	£67
Mother & Baby Accommodation	<u>£55</u>
Sub Total – External Placements	£2,319

**The above overspend is against a budget of
£5,332 (000's) in 09-10**

Recruited Foster Carers	£302
Friends & Family	£28
Adoption Allowances	- £17
Aftercare	£165
Homecare	£9
Special Guardianship	£110
Residence Orders	<u>£51</u>
Sub Total – Internal Placements / Other	£648

The above overspend is against a budget of £4,129 (000's) in 09-10

Add	
Direct Payments	<u>£138</u>
Grand Total	£3,105

The total overspend of £3,105 (000's) is against a budget of £9,852 (000's) including a direct payments budget of £391(000's) in 09-10.

In **addition** to the above there are currently 16 searches underway for agency placements. This may result in further placements which may be of a short or long duration. A worst case scenario would result in an additional cost of £762 (000's) giving a grand total of £3,867 (000's) overspend.

In 2008/09 against a budget of £9,607 (000's) there was an overspend of £1,626 (000's) in this area.

Costs have increased dramatically with regards to the Looked After Children's Budget and although some growth has been provided in the last two years this has not kept pace with the increase numbers of children placed into care.

Over 08-09 & 09-10, total growth of £250k relating to children in need of protection has been allocated to the CYPS budget. This has been used to fund staff in the Children in Need Duty Team and more recently has been used to part fund the additional 5 Social Workers required to meet the additional workloads of the 5 area teams.

The overspend reported represents a significant increase from last years outturn. This is largely as a result of an increase in the number of external placements. Although numbers in care were beginning to rise prior to the events in Haringey surrounding Baby Peter in November 2008, there has been significant increase in referrals and child protection plans since that time.

There has been a substantial rise in the number of children looked after in the last twelve months. The rise in numbers is not unique to Wigan and is reflected amongst other North West authorities and England & Wales.

The national number of applications for care proceedings made by councils in June 2009 is the highest figure ever in a single month. Figures released by the Children and Family Court Advisory Service (CAFCASS) show that there were 774 applications in June compared to 627 the previous month. In June last year councils made 368 applications.

In respect of provision within the borough, Wigan has seven residential children's homes, of which two provide services to children with a range of disabilities. One five

bedded unit provides a series of short breaks all year round whilst the other provides 52 week residential care for four young people with severe learning disabilities etc, one of these beds is used to provide residential assessment facility.

The other five homes offer care to children aged 9-18 in a range of settings. Three offer care to 6 children each, one to five children and the other to two children. In total 32 children are looked after on a permanent basis within the Council's own residential facilities, so that they can be placed together.

In addition to the above, Wigan Council is a registered fostering agency, and currently cares for 296 children within the Wigan Fostering service.

These children are cared for either by family & friends or recruited foster carers.

Since Aug 2007, the number of children cared in this way has increased from 231.

Over the same period the number of recruited carers has increased by 18 from 76 to 94.

Although there has been this increase in internal provision, there is now insufficient places to meet the huge increase in the number of children looked after.

To increase further the number of foster carers there would also need to be an increase in the number of social workers and managers to provide the service.

The process of recruitment and approval of carers might take 6 months for this to be achieved. This matter was referred to in the report to Overview & Scrutiny in July 2009.

As referred to in that report, a contract with Care Afloat has now been cancelled. The funding saved will be used to increase the staffing of the Family Placement Service which will enable the recruitment and support of more foster carers.

The key problem for Wigan is that its internal provision, (children homes & foster care) can no longer cope with the increase in numbers of children looked after.

There is little or no spare capacity within the borough, so children are currently having to be placed out of borough at a significantly higher cost.

Work is currently underway to explore alternative models of residential care provision including the development of further in borough resources and if viable a business case will be made on the basis of an "invest to save" bid to take this forward.

As far as "external" placements are concerned, we currently have 32 children in OOB residential placements, 61 children in Agency Fostering care, 1 child in Secure Accommodation as well as one mother & baby placement, which is due to end on 26th August 2009, but moving to agency residential placement thereafter.

It should be noted that once a care package has been agreed and the child placed accordingly, it is very difficult to move that child to another and possibly less expensive alternatives, as such placements are subject to oversight by the Council.

A recent House of Lords ruling regarding the needs of 16 and 17 year olds will also have implications for demand on the Social Care budget.

Previously children over the age of 16 were rarely accommodated under S20 of the Children Act for the first time unless their needs were exceptionally complex or the young person exceptionally vulnerable. The above ruling has now defined young

people who present to the Local Authority as homeless as having assumed needs beyond housing in the majority of situations and therefore consideration needs to be given to accommodating them under S20.

The increase in numbers of young people between 16 and 18 being accommodated under S20 rather than having their need met via housing legislation will have an impact on budgets to meet placement and accommodation costs but also increase the demand on the social services system through social work time, looked after children support services, independent reviewing officers etc. It is not yet possible to quantify the extent of this group in Wigan but discussions are taking place with housing to estimate the numbers.

A letter has been written on behalf of East Midland regional AD's in consultation with Government Office to the Deputy Director, Children in Care Division of the DCSF detailing concerns about the recent judgement. We await the response to the queries which highlight the resource implications for children's services authorities.

With regards to action being taken, the following points need to be considered in respect of this matter....

A – Senior Managers within CYPS have already been provided with a more detailed analysis of the overspend which is taking place, together with a comparison of spend in specific areas over a number of years.

A report on Looked After Children was presented to Overview & Scrutiny on 23rd July 2009.

B – The Placements Contract Manager will continue to negotiate discounts for our placements.

C – A proforma "Request for an Agency Placement" has been introduced to formalise the process of managing requests for accommodation and the identification of placements, which will be used by staff involved in the process.

D – A Fundamental Review of the cost and performance on the placements provided by residential homes both in and out of the borough including fostering and adoption services is to take place. This will identify and recommend where efficiencies and improvements can be made.

E - The data provided by the CIPFA Benchmarking Club will also be examined to determine any worthwhile trends etc.

3.2 Staff Savings

At this point in time there are still a large number of vacancies with the Social Care element of CYPS. In many case however, managers have had to use more expensive agency staff to cover these posts and to ensure that they can meet the demands of the service. This is specifically relevant in the delivery of assessment / child protection services and contact to children in care.

As at the end of July 09 the YTD variance on the “non education” related staffing budgets of CYPS is approximately £38 (000’s) overspent. This is on a YTD budget of £5.1m.

A separate analysis is currently underway to identify all of these staffing issues and to challenge managers to find the most cost effective solution to this issue. As a result of this work we should soon be able to identify the likely outturn position for this year.

The staffing costs at the Childrens Homes is still a cause for concern. Mill Dam Grange, Ladies Lane & Landgate House are all currently reflecting overspends on staffing / agency costs, although these totals are partially offset by some underspends on the other Childrens Homes.

3.3 Public Law Fees

Against a total annual budget of £506,000, legal fees of £179,000 have already been incurred to date. Based on the spending patterns of the last six months of last year it is likely therefore that the final year end position will be approximately £100,000 overspent. This is despite the extra budget provision which was made available in 09-10, as a result of the additional statutory requirements faced by LA's.

The number of referrals has been increasing but according to legal services this doesn't necessarily mean that the fees paid will increase in proportion. Also, the Government's response to the Laming report has asked that a review be carried out into public law fees with a view to abolishing them for child protection cases. This review won't report until September 09, so although we are reporting an increase, this will be subject to the findings of the review in September.

4. Summary

Although the latest estimate is an overall year end overspend of £3,967,000 this includes £100,000 relating to Public Law Fees.

The information relates only to the Social Care element of the CYPS budget.

Although we are taking steps to minimise the overspend on the Looked After Children's Budget and will take other measures including the best use of external grant resources to reduce the total level of overspend recorded in this report, it will not be possible to significantly offset the levels of overspend reported.

The overspend reported excludes the impact of the current level of staff vacancies and the use of grant resources to alleviate the problems referred to in this report.