

<b>19 August 2010</b>	<b>ITEM 7</b>
<b>Children's Services Overview and Scrutiny Committee</b>	
<b>Impact on Social Care Services of Reductions in Expenditure – Risks and Opportunities</b>	
<b>Report of:</b> Councillor Charles Curtis, Portfolio Holder for Children's Social Care	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> No
<b>Accountable Head of Service:</b> Barbara Foster, Head of Care and Targeted Outcomes	
<b>Accountable Director:</b> Jo Olsson, Director of Children, Education and Families	
<b>This report is Public</b>	
<b>Purpose of Report:</b> To appraise elected members of the council of the risks and opportunities entailed in reducing the expenditure on services for children in need, children in need of protection and children looked after.	

## **EXECUTIVE SUMMARY**

The budget for the provision of Children's Social Care Services overspent by £1,646,892 in 2009 / 2010. Whilst, overall, the CEF budget was overspent by £400,000, under spends in other areas of service mitigated the extent of the social care overspend. Initial projections for this service area, now known as Care and Targeted Outcomes, in 2010 / 2011 indicate that, without concerted action being taken, there will be an overspend of £871,358. However, in 2010 / 2011, there will not be the capacity within other CEF service areas to offset social care expenditure and the council's financial situation is such that the Department is required to make in year savings and to plan for future reductions in expenditure. These reductions cannot be achieved without significant reductions in services.

This report sets out the council's statutory responsibilities for the provision of services to the most vulnerable children and how the children's social care budget is allocated for the provision of services on those children. It goes on to consider how expenditure can be reduced in the current and future financial years and to consider the impact of such changes to these children. Finally, the report goes on to make recommendations for reducing expenditure in the context of the attendant risks.

## **1. RECOMMENDATIONS:**

- 1.1 Members are asked to note that the demand for children's social care services has increased considerably over the course of the last four years but that, overall, the performance of those services has been maintained or improved over that same period.**
- 1.2 Members are asked to note that the consequence of the increased demand for services has been an increase in expenditure over and above that formally allocated to the service during this period of time.**
- 1.3 Members are asked to agree that, in order to reduce expenditure on this service area to that allocated by the Council in 2010/11, it will be necessary to focus services on the most vulnerable children (those assessed as being at risk of significant harm or looked after by the council or disabled and that this will be achieved by reducing the level of service provided for other "children in need").**
- 1.4 Members are asked to agree that, in order that Care and Targeted Outcomes Services can meet future spending targets, officers be authorised to explore further means by which access to services may be better targeted and to introduce charging for services where that is likely to produce a net income to offset against expenditure.**

## **2. INTRODUCTION AND BACKGROUND:**

- 2.1 Legislative basis for the provision of children's social care services:** The Council's primary responsibilities for the provision of services to vulnerable children are set out in The Children Act 1989. These are for the assessment of need, the identification of risk of significant harm and the provision of care and support to children and young people looked after by or leaving the care of the council. This includes the provision of support to children in need (including children with a disability), the monitoring and support of children subject to a protection plan ("on the child protection register") and arrangements for the care of children looked after by the council (both those subject to a care order, having been identified as having experienced or likely to experience significant harm and those looked after by agreement with their parents). Subsequent legislation (e.g. Leaving Care Act 2001, Children Act 2004, Children and Young People's Act 2009) and regulations (e.g. Working Together to Protect Children 2010, Children Act Regulations including the revised Planning and Reviewing Regulations 2010 and numerous regulations pertaining to regulated services – adoption, fostering and residential homes) have set out the ways in which these services should be provided.

- 2.2 **Data and Performance:** Over the four years ending March 31<sup>st</sup> 2010, the number of referrals to children's social care services in Thurrock per annum almost doubled from 1,328 in 2006/07 to 2,478 in 2009/10. The number of referrals was even higher in 2008/09 at 3,805. Although other local authorities also experienced an increase in referrals over this period, the rate of increase in Thurrock appears to have been higher (nationally, the rate of referrals per 10,000 children in the population went up from 493 to 500, in Thurrock from 371 to 681 per 10,000 children).
- 2.3 The number of initial assessments (an initial assessment should be completed within 7 days) completed increased from 681 in 2006/07 to 2,299 in 2009/10; the conversion rate (referrals leading to initial assessments) increased from 50% to 92%; the rate of completion within 7 days improved from 58% to 74%. Similar increases occurred in the completion of core assessments although the percentage completed in time has remained at a similar level (at just over 70%). The number of child protection investigations undertaken in accordance with Section 47 of the Children Act 1989 increased from 204 in 2006/07 to 432 in 2009/10 although the rate of increase in child protection investigations was not as great as that in assessments at either initial or core stages. Compared to other authorities, the rate of increase in referrals has been significantly higher as has the increase in assessments completed. The rate of increase in child protection investigations is higher than that in other authorities but the disparity is not as significant.
- 2.4 Over the same period of time, there has also been an increase in the number of initial child protection conferences per annum (from 87 to 226) and the number of children made subject to a protection plan (from 70 to 198). The rate of increase in Thurrock was higher than that in other authorities. However, it may be that some children are remaining subject to a protection plan for longer periods of time which will have increased the number at the year end.
- 2.5 The number of children looked after at the end of each of the four years has also increased although at a much lower rate, from 186 in March 2007 to 229 in March 2010. This increase was reflected in other authorities; the rate of children looked after per 10,000 children in the population in Thurrock is the same as the national average once adjusted to take account of the impact of asylum seeking young people.
- 2.6 Performance against most of the national indicators in Thurrock is at least satisfactory and often good for referrals, assessments, the child protection process and for looked after children. Performance had fallen in respect of child protection case conferences held in time scales (due primarily to the increase in volume) and reviews of children looked after held within the relevant time periods (again, primarily due to increased volume of reviews required). However, this is indicative of a need to improve the overall arrangements for quality assurance within the service.

- 2.7 **Resources:** the current budget for children’s social care services is £16,440,000 which can be broken down as shown in the table below (for the detail of expenditure under each of the headings, see Appendix A).

<i>Summary of Budget Allocation</i>		
	<b>Direct Costs £s</b>	<b>Projected Overspend</b>
<b>Quality Assurance</b>	439,400	<b>62,637</b>
<b>Children In Care</b>	10,986,100	<b>-545,877</b>
<b>Initial Response Team</b>	984,100	<b>299,317</b>
<b>Family Support</b>	1,664,900	<b>887,884</b>
<b>Children with Disabilities</b>	976,000	<b>261,614</b>
<b>Youth Offending Service</b>	846,700	<b>124,105</b>
<b>Other Services</b>	592,800	<b>-218,322</b>
<b>Total</b>	<b>16,490,000</b>	<b>871,358</b>
<b>Totals</b>	<b>16,444,000</b>	<b>871,358</b>

- 2.8 An alternative way of looking at the financial information is shown in the following table which highlights employment costs, service costs (for services provided to children, young people and their families) and infrastructure costs:

<i>Summary - Care &amp; Targeted Outcomes</i>			
	<b>Direct Costs £s</b>	<b>Projected Spend £s</b>	<b>(Under) / Over £s</b>
<b>Employee</b>	<b>7,715,800</b>	<b>8,602,208</b>	<b>886,408</b>
<b>Third Party Payments</b>			
Section 17 Residential, Foster Care (In-House & IFA)	299,300	298,900	(400)
Adoption, RO's, Adoption Support & Special Guardianship Allowances	5,792,400	5,246,523	(545,877)
Children with Disabilities (Residential, Shared Care, Direct Payments)	765,600	726,000	(39,600)
Other Payments	933,300	1,201,121	<b>267,821</b>
	<b>1,511,600</b>	<b>1,441,306</b>	<b>(70,294)</b>
	<b>9,302,200</b>	<b>8,913,851</b>	<b>(388,349)</b>
<b>Other Expenditure</b>	<b>1,763,800</b>	<b>2,040,752</b>	<b>276,952</b>
<b>Income</b>	<b>-2,328,900</b>	<b>-2,241,452</b>	<b>87,448</b>
<b>Total</b>	<b>16,444,000</b>	<b>17,315,358</b>	<b>871,358</b>

- 2.9 It is evident from the latter table that the majority of the budget is spent on staffing £7,715,800 and direct service costs, £9,302,200. The “other” expenditure category includes expenditure on substance misuse and teenage pregnancy; very little is spent on infrastructure / support costs.
- 2.10 **Staffing:** Care and Targeted Outcomes Services are provided by a total of 21 team managers, 3 practice managers, 97 social workers / senior practitioners, 10 leaving care workers and 46 other family support / centre workers. They are located in the following teams:

<i>Summary of Staffing (number of temporary staff in brackets)</i>				
<b>Frontline Teams</b>	<b>TMs</b>	<b>PMs</b>	<b>SWs</b>	<b>LCWs / FSWs /YOS Staff / IROs etc</b>
<b>Initial Response Team</b>	<b>1</b>	<b>2(2)</b>	<b>13(3)</b>	<b>2</b>
<b>Family Support Teams</b>	<b>5(1)</b>	<b>0</b>	<b>26(14)</b>	<b>9</b>
<b>Children with Disabilities</b>	<b>1</b>	<b>0</b>	<b>8</b>	<b>1</b>
<b>Through Care Teams</b>	<b>3</b>	<b>0</b>	<b>13(2)</b>	<b>4</b>
<b>Permanency Team</b>	<b>1</b>	<b>0</b>	<b>5(1)</b>	<b>0</b>
<b>After Care Team</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Targeted Youth Support</b>	<b>1</b>	<b>1</b>	<b>7(2)</b>	<b>6(PA)</b>
<b>Youth Offending Service</b>			<b>2</b>	
<b>Emergency Duty Team</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>0</b>
<b>Support Services</b>				
<b>Quality Assurance</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Fostering Teams</b>	<b>3</b>	<b>0</b>	<b>11</b>	<b>1</b>
<b>Adoption Team</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>
<b>Oaktree (including the contact service)</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>11</b>
<b>Sunshine Centre</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>CFC Service</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Totals</b>	<b>21(1)</b>	<b>3(2)</b>	<b>97(22)</b>	<b>56</b>

- 2.11 As part of the annual collection of data from local authorities, central government used to collect data on the number of qualified social workers within each local authority area. However, this data collection ceased three years ago. At that time, the number of social workers working with children and young people in Thurrock was gradually increasing compared to other authorities. Unfortunately, there does not appear to be any current comparative data.

- 2.12 Staffing costs are the biggest single contributor to the overspend in the social care budgets. This is for two reasons – firstly, 20% of social work staff are contracted from a agencies at an average cost that is at least twice that of a directly employed social worker and secondly, across the initial response and family support teams, there are four staff employed over and above the established number of posts (1 in IRT, 3 in FST), recruited to assist with responding to the increased workload. These additional posts are filled with agency staff. Therefore, not only are some posts covered by agency social workers at twice the cost of a permanent members of staff but there are also additional agency workers, above the establishment.
- 2.13 **Workload:** At any one time, staff in IRT are responding to new referrals and these are then passed onto social workers in FST for further assessment, planning and action. Children subject to care proceedings will transfer to the permanency team and other looked after children to the through care teams. Looked after children who remain looked after until they are 18 will transfer to the leaving care team in due course. The number of open cases in each team therefore varies from day to day.
- 2.14 There are currently approximately 2,100 “open cases” held by the Care and Targeted Outcomes Service (each case represents one child). This includes the 198 child subject to a protection plan and 229 looked after; the remaining 1,650 children includes those still being assessed, children in need, child with a disability, care leavers and other, smaller, groups (privately fostered children, children in private law proceedings, etc). Just under half of these children have a plan (pathway plan for care leavers, children in need plan for those in need / with a disability). The remainder do not. Apart from those who are still subject to the initial / core assessment process, these are children and young people for whom relatively small, low priority tasks need to be undertaken.
- 2.15 Case load across the IRT and FST Teams are extremely high as a consequence of the level of open cases. Staff in these teams may have between 30 and 40 cases each – this includes all children subject to a protection plan, some subject to care proceedings and about 10% of those looked after by agreement with their parents. Staff in the Through Care and Permanency Teams typically have 14 to 16 cases each, which would generally be considered to be an average case load. Case loads in the leaving care team are slightly higher which reflects the different levels of support required by care leavers.
- 2.16 As set out above, the majority of the expenditure of the care and targeted outcomes service is on staffing £7,715,800 and direct service costs, £9,302,200. Most of the expenditure on direct services relates to the care packages provided for children in care, young people leaving care and care packages for children with disabilities. Whilst, overtime, some of these costs may be reduced, an immediate saving may be made by reducing staffing costs. As mentioned above, some of the family support teams have additional staff over and above their establishment and they are providing a high level of service to children in need whilst carrying above average case loads.

2.17 It is proposed that the need for the additional staff be eliminated and that some reductions be made in the establishment by the following measures:

- Reassess / enforce existing thresholds for service provision for social care services – this will mean that only the most vulnerable children where there is a child protection concern or a need to look after that child, or the child is disabled will receive a service.
- Realign the responsibilities of the IRT service so that they undertake a full assessment and initial planning for each child referred to them.
- Ensure that all children looked after are allocated to a social worker in the through care or permanency teams, not family support or targeted youth support
- Reconsider the organisational structure of the service in order to determine whether social work services for some adolescents should be provided by the targeted youth support team rather than family support.
- By means of management action, close a significant proportion of the open children in need cases (based on length of time since last contact, level of concern, evidence of improvement in outcomes) – management action means, in this instance, the closure of cases according to criteria rather than through normal network checks and social work processes which would not achieve the required outcome within a reasonable period of time.
- Reassess the staffing levels of each team once the required number of cases has been closed with the intention that all social workers in family support teams have an average case load of approximately 14 to 16 children (there are no formal guidelines nationally for case loads; this appears to be an average between authorities; it provides for the opportunity for children to be seen every two to three weeks assuming that a proportion of the children are living in sibling groups and that social work staff spend approximately 20 to 25% of their time in face to face contact with children and their families)

2.18 The risks entailed however in this approach are as follows:

- That some cases where there is an ongoing risk will inadvertently be closed – the mitigation is because of the volume of cases currently open, those risks may not be being addressed anyway.
- That tightening the criteria for the acceptance of a referral into the social care services will meant that opportunities for early intervention will be missed – is that a review of thresholds across all service can take account of the changed entry level for social care services.
- That some children who would previously have received a family support service will no longer do so; their circumstances may deteriorate and they may then be at risk or need to become looked after. The mitigation to this risk is that greater focus will need to be provided to assessment processes in order to ensure that the most vulnerable children are identified and provided with a service.

2.19 Any further reductions in the budget for this service area will need to look more closely at the expenditure on respite care for disabled children and the costs of providing a service for looked after children. It is therefore proposed that, subject to a cut off point (income support levels), charges be introduced for services, particularly where families are able to contribute towards the cost of providing those services.

**3. ISSUES AND/OR OPTIONS:**

3.1 As set out above, there are limited options for achieving savings within the social care service. Given that the majority of expenditure is on staffing or on the support provided to the most vulnerable children, the focus has to be on these areas of the service. Focus on the most vulnerable children will mean that fewer children receive a service and therefore that less social workers will be needed in the family support teams.

3.2 Over time, consideration can be given to how the services provided to the most vulnerable children can be provided in the most cost effective way and how efficiencies can be achieved in this area of the service.

**6. IMPLICATIONS**

**6.1 Financial**

Implications verified by: **Yannick Stupples-Whyley**  
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These are contained in the main body of the report.

**6.2 Legal**

Implications verified by: **Lee Bartlett**  
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These are contained in the main body of the report.

**6.3 Diversity and Equality**

Implications verified by: **Simon Black**  
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These proposals would not have a direct effect on Diversity and Equality issues but there may be indirect effects.

**Comment [sj]:** Other headings may be appropriate. The report should outline the reasoning that leads to its recommendations and **must** include:

1. a brief summary of options considered;
2. consultation outcomes
3. a risk assessment.
4. Whether the responsible cabinet members have been consulted/contributed to the report (NB professional and political advice must be clearly distinguished)

- See para.5.5 of the report writing guidelines.

**Comment [sj]:** This section should always be completed – if they are dealt with fully in another part of the report, they also need a brief cross reference here. The names and job titles of the officers providing the implications should be provided in full – see Guideline 6.1 and please note Democratic Services Deadlines and ensure that officers providing implications are given 5 clear working days to work on the report. Authors can write implications but they must be signed off by the appropriate officers

**Comment [sj]:** See Guideline 6.2

**Comment [sj]:** See Guideline 6.3

**Comment [sj]:** See Guideline 6.4



The 1989 Children's Act covers the extensive statutory services which the local authority must provide to children in need and children looked after and defines the individual child's welfare as needing to relate to "his age, sex, background and any characteristics of his which the court considers relevant." There is a specific duty on the local authority to consider the racial groups to which children in need belong with regard to the provision of day care and the recruitment of foster-carers and a statutory entitlement for disabled children to be in receipt of services as children in need.

In practice, the services of the local authority may be either under-used by minority groups or there may be an over-representation of children from particular Black or minority ethnic groups in the most interventionist or non-requested services such as child protection and care proceedings. These services are regularly monitored, by government, by the race and ethnicity of the young recipients and carefully tracking with the local authority must identify trends and any differences from other similar authorities.

Current OFSTED requirements expect a Council who is being graded as outstanding to be able to deliver services which reflect fully the range, diversity and complexity of the needs of children and young people.

Services provided for children and young people must take account of almost all equality and diversity issues. Partners are effectively promoting race and disability equality and there is a beneficial impact on outcomes for children and young people.

Comparison, benchmarking and consultation with children and young people are key overall themes in OFSTED's analysis of a local authority's performance and these must be evidenced in every aspect of service delivery.

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Comment [sj]: Insert the full contact details of the author of the report

## Appendix A

<b>Detailed Breakdown</b>		
<b>Care &amp; Targeted Outcomes</b>	<b>£s</b>	<b>£s</b>
QA Reviewing Officers	204,100	
QA Child Protection Officers	114,800	
Children's Services - Social Care, Safeguarding and Inclusion	120,500	
<b>Quality Assurance</b>		<b>439,400</b>
Foster Care Recruitment	185,800	
Children & Families External Purchasing	4,119,000	
Care Matters	166,900	
Continuing Care	0	
Permanency	245,500	
Throughtcare 1	283,200	
Throughtcare 2	359,900	
Throughtcare 3	359,500	
Aftercare	350,600	
Crown House	18,900	
Accommodation - Young People	200,000	
Adoption & Residence Orders	992,800	
Fostering	2,547,400	
Therapeutic Foster Care Team	523,500	
Oaktree Family Centre	318,800	
Contact Service	106,300	
Service Managers	208,000	
<b>Children In Care</b>		<b>10,986,100</b>
Initial Response Team	511,400	
Emergency Duty Team	324,000	
Service Managers	148,700	
<b>Initial Response Team</b>		<b>984,100</b>
Thurrock Access to Resources Panel	217,000	
Legal Proceedings	360,000	
Family Group Conferences	28,100	
Family Support - West	297,700	
Family Support - North East	259,800	
Family Support - Central	281,200	
Family Support - South East	221,100	
<b>Family Support</b>		<b>1,664,900</b>

Children with Disabilities	630,800
Sunshine Centre	241,200
Aim Higher - Short Breaks	36,800
Summer Play scheme	7,800
Service Managers	59,400
<b>Children with Disabilities</b>	<b>976,000</b>
TYCTT ( Thurrock Youth & Connexions Targeted	545,300
YOS (Youth Offending Service)	301,400
<b>Youth Offending Service</b>	<b>846,700</b>
Child & Family Consultation	94,100
CAMHS	281,800
Teenage Pregnancy	107,000
Domestic Violence	90,800
Young People's Substance Misuse	19,100
<b>Other Services</b>	<b>592,800</b>
<b>Total</b>	<b>16,490,000</b>