

Public Accounts Select Committee Supplementary Agenda

Wednesday, 27 September 2017

7.30 pm

Committee room 4

Civic Suite

Lewisham Town Hall

London SE6 4RU

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This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

Part 1

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Public Accounts Select Committee		
Title	Children's social care budget	
Contributor	Executive Director for Children and Young People / Executive Director for Resources and Regeneration	Item 4
Class	Part 1 (open)	27 September 2017

1. Summary of the Report

The purpose of this report is to enable consideration of the financial position of Children Social Care. It describes the breakdown of the budget and explains the demands and cost drivers. It then goes on to the action which is in train to address the current overspend.

2. Recommendations

The Public Accounts Select Committee is recommended to note and comment on the report

3. Policy Context

3.1 Children Social Care continues to contribute to five of the key priority outcomes of Lewisham's Sustainable Community Strategy 2008-2020:

- **Ambitious and achieving** – where people are inspired and supported to fulfil their potential.
- **Safer** – where people feel safe and live free from crime, antisocial behaviour and abuse.
- **Empowered and responsible** – where people are actively involved in their local area and contribute to supportive communities.
- **Healthy, active and enjoyable** – where people can actively participate in maintaining and improving their health and well-being.
- **Dynamic and prosperous** – where people are part of vibrant communities and town centres, well connected to London and beyond.

3.2 Children Social Care contributes to the Children and Young People's Plan 2016-2018 and its 5 priorities: Be healthy, Stay Safe, Enjoy and Achieve, Make a positive contribution and Achieve economic wellbeing.

3.3 Reporting financial results in a clear and meaningful format contributes directly to the council's tenth corporate priority: inspiring efficiency, effectiveness and equity.

4 Local Context

- 4.1 The financial forecasts for 2017/18 as at 31 May 2017 across the Council show a forecast overspend of £12.8m against the Directorates' net general fund revenue budget. This compares to a final outturn of £7m for 2016/17 which resulted after applying £2.8m of funding for 'risks and other budget pressures' against the Directorates' year-end overspend of £9.8m for that year.
- 4.2 Over the last eight years, the Council has undertaken a major budget reduction programme to manage the difficult financial challenge it has been faced with. In the period 2010/11 to 2017/18 the Council has implemented savings of £160m, with work is underway to identify and deliver a further £32m by 2019/20. The Children and Young People's (CYP) Directorate represents roughly 25% of the total General Fund spend across the Council. For its part, Children Social Care (CSC) makes up 80% of the CYP spend and 20% of the total General Fund spend across the council.
- 4.3 The year-end outturn for the CYP Directorate 2016/17 was an overspend of £7m, with £3.9m of this attributable to CSC. CSC is forecasting an overspend this year of £5.1m, with the CYP Directorate as a whole forecasting an overspend of £7m. While the overall overspend is the same, CSC represents a greater proportion this year, hence the focus on that area in this report. Last year, the remainder of the overspend (beyond CSC) was made up by SEND Transport (£1.2m), short breaks for children with disabilities (£0.3m) and Education Psychologists (£0.4m).
- 4.4 In 2010/11 the CYP budget was £76.4m and through the period of the government's austerity programme, it has been reduced to £48.7m, a reduction of £27.7m or 36%. The net budget in CSC was approximately £50m and is now £37.6m. Corporately this £13.8m of savings represents 9% of the total corporate savings made. This is consistent with Council decisions to protect front line services. The savings made since 2010 in CSC are shown below

	£m
2010/11	0.2
2011/12	3.6
2012/13	0.3
2013/14	0.5
2014/15	0.3
2015/16	4.2
2016/17	1.4
2017/18	3.3
	13.8

5. **Headline analysis of CSC Overspend**

The CSC overspend falls into three parts:

5.1 Overspend on placements

The placement budget for *looked after children* is currently forecast to overspend by £2.1m. This is based on an average of 453 looked after children for the year. This budget funds foster and residential placements for Lewisham's looked after children.

5.2 Overspend on CSC staff

The CSC staffing budget, which funds social workers, their managers and business support is forecast to overspend by £1.3m.

5.3 Overspend on Section 17

This budget funds families who qualify for financial support under S17 of the Children Act 1989. This budget is expected to overspend by £0.7m.

5.4 Unachieved savings

The unachieved savings across in Children's Social Care amount to £0.9 out of a total saving requirement of £3.3m.

6 National and London context

6.1 National underfunding of Children Social Care

The Local Government Chronicle reported in August 2017 that across England, spending on children's social care is outstripping budgets by close to £1 billion, estimated to rise to £2 billion by 2020. This research found that over that last three years, around 4 out of 5 councils had overspent and that while budgets had increased by an average of 2.5%, spending had gone up by 5%. This situation has been the subject of representations to central government from the LGA and the Association of Directors of Children's Services. Nationally the number of looked after children has increased. Expectations of children's services have never been higher, yet many of the non-statutory preventative services have been eroded since the beginning of the austerity programme (e.g. Surestart, Area Based Grants). DfE figures show that in the 10 years from 2006 to 2016, the number of child protection enquiries nationally increased from 72,000 to 172,000.

6.2 London Councils' data on Children Social Care spending

6.2.1 Recently London Councils have released an initial report on their analysis of spend in children's social care. Patterns of overall children's social care spend vary significantly between boroughs over the past four years: spend increased in 13 boroughs and decreased in 8 boroughs. Lewisham is one of the boroughs where spend decreased.

6.2.2 The main findings from the London Councils research are below

- Overspends are widespread in children's social care: in 2016/17, 25 out of 28 boroughs overspent on children's social care budgets – equating to £3.4m per borough or 9.6 per cent of aggregate budgets
- Overspends as a proportion of budgets are slightly higher in outer London (10.0% compared to 8.9% in inner London). Lewisham is 9.3%

- Amongst the 22 boroughs providing full data over the past four years, the number of boroughs experiencing overspends increased from 15 to 21 between 2013/14 and 2016/17
- Many (but not all) boroughs experienced a large increase in overspends in 2016/17, driving an increase in the average overspend from £2.3m in 2015/16 to £3.5 million in 2016/17
- The two main areas of spend are core staffing budgets and placement budgets. At an aggregate level, overspends are equivalent to 12 % of core staffing budgets (compared with 11% in Lewisham) and 18 % of placement budgets (compared with 12% in Lewisham)
- 19 out of 28 boroughs overspent on both core staffing and placement budgets in 2016/17
- Across 29 boroughs providing data, the number of LAC (start of year) fell from 9,017 in 2013/14 to 8,878 in 2016/17. This masks significant variation between boroughs – 14 boroughs experienced an increase in LAC numbers, 13 boroughs experienced a decrease and 2 boroughs experienced no change. Lewisham has experienced a small decrease.

6.2.3 The following table compares Lewisham spend with the rest of Inner London, the figures are based on an amount per population of the 0 -17 age group. They relate to the 2016/17 budgets. The content of the costs included in the calculation may vary between boroughs.

	Total children looked after costs £	Social worker costs £
Camden	428	167
Greenwich	449	207
Hackney	327	249
Hammersmith & Fulham	471	193
Islington	517	381
Kensington & Chelsea	241	297
Lambeth	565	136
Lewisham	399	132
Southwark	462	307
Tower Hamlets	300	103
Wandsworth	238	193
Westminster	256	201

7 The functions and activities of Children Social Care

7.1 Statutory basis

7.1.1 Children's Social Care (CSC) operates under a set of legislation and statutory guidance, the main pillars of which are:

- The Children Act 1989 which imposes a statutory duty on local authorities to safeguard children in their area
- The London Child Protection Procedures 2016 which have been adopted by all London councils and Local Safeguarding Children Boards (LSCBs) aligned to the delivery of statutory guidance.
- Working Together to Safeguard Children 2015 which has recently been reissued with some revisions. This provides a national framework and core requirements which agencies and professionals must satisfy in order to safeguard and promote the welfare of children.

7.2 Key functions of CSC

7.2.1 Early help

Early help means taking action to support a child, young person or their family early in the life of a problem, as soon as it emerges. It can be required at any stage in a child's life from pre-birth to adulthood and applies to any problem or need that the family cannot deal with or meet on their own. It is to meet this wide definition that the council commissions family support and children's centres in particular but a wide range of other services provided by the council and its partners also count as early help although (as in councils across the country) the range and quantum of this has been eroded during the austerity period. CSC has to ensure that children and families who do not meet the threshold for social care intervention are offered and indeed take up and benefit from early help. CSC is also expected to 'step down' cases which no longer need a social worker but where some vulnerabilities remain to early help services. Early Help is part of the Ofsted's focus in its current inspection arrangements for CSC.

7.2.2 Child protection

7.2.2.1 A local authority's powers and duties to safeguard children are defined in the Children Acts of 1989 and 2004. Two core elements of the 1989 Act are Section 17 and 47. Section 17 imposes a general duty on every local authority to safeguard and promote the welfare of children in need of local authority services within their area.

7.2.2.2 Section 47 defines the authority's duty, in partnership with other agencies, to initiate enquiries if they become aware that a child in their locality is suffering or is likely to suffer significant harm. If, following or during the course of assessment, concerns about a child's safety are identified, local authority social workers should convene a strategy discussion/meeting with the police and others to decide whether to undertake an enquiry under Section 47 and any associated action to protect the child.

7.2.2.3 Within the 2004 Act, Section 11 requires local authorities and partner organisations with responsibility for the care and well-being of children to co-

operate. This includes health, police, probation and youth offending teams. Schools and the voluntary sector are encouraged to work in partnership with local authorities to plan and deliver services tailored to the needs of the child.

7.2.2.4 In addition, the 2004 Act requires all children's services' authorities to establish a Local Safeguarding Children Board (LSCB) and appoint a Director for Children's Services (DCS) and a Lead Member for Children's Services (LMCS). Legislation this year changes the requirement to have an LSCB but the government guidance on the new expectations has not yet been received. It is unlikely to reduce the burden on councils in terms of finance and administration.

7.3 Looked after children

7.3.1 There are several ways that a child or young person can become looked after by the local authority

- A parent can request that their child is looked after or "accommodated" by the local authority under Section 20 of the Children Act 1989
- The police can take a child under Police Protection for 72 hours
- The local authority can be so concerned about a child that they decide to apply for an Emergency Protection Order which also lasts for 72 hours
- The local authority can decide to implement care proceedings if the threshold for this has been met.
- The court may decide to award an Interim Care Order whilst further investigations are continued which may lead to the granting of a Care order.
- The Courts can remand a child into the care of the local authority in criminal matters
- In exceptional cases, the local authority can apply for a Secure order under Section 25 of the Children Act 1989

7.3.2 When a care order is made, the local authority acquires parental responsibility and becomes a legal parent with associated duties alongside the parent/guardian. Looked after children are placed at the expense of the local authority in foster placements or in exceptional circumstances, residential placements. Other types of care include adoption, kinship care with extended family and special guardianship arrangements.

7.3.3 Foster placements are either with in-house foster parents who are recruited by the Council or by placing a child with an external agency who employs foster parents and then sells out the placements to local authorities. These are known as Independent Fostering Agencies (IFAs).

7.4 Adoption/Special Guardianship Order

A Special Guardianship Order (SGO) is an order appointing one or more individuals to be a child's 'special guardian'. It is intended for those children who cannot live with their birth parents and who would benefit from a legally secure placement. Usually SGOs place children with grandparents, other close family or family friends. They are increasingly used by the courts, sometimes even if the local authority considers that the child should be placed for adoption. The local authority is expected to provide financial support for the placement under a local policy which meets legislative requirements.

7.5 Section 17

- 7.5.1 A 'Child in Need' is defined under the Children Act 1989 as a child who is unlikely to achieve or maintain a satisfactory level of health or development, or their health and development will be significantly impaired, without the provision of services; or a child who is disabled.
- 7.5.2 For children who are disabled, assessments are carried out by the Children with Complex Needs Team and packages of care may be given, where appropriate linking up as part of a holistic package of support with education and health.
- 7.5.3 For children whose parents present as destitute and/or intentionally homeless it may also be necessary for a social work assessment and may require support to be given in kind, by providing accommodation or cash.

7.6 Ofsted inspection regime

- 7.6.1 Ofsted inspects and regulates services that care for children and young people, and services providing education and skills for learners of all ages.
- 7.6.2 Ofsted inspects Local Authority Children Services and the Local Safeguarding Children Board under its powers in accordance with section 152 of the Education and Inspections Act 2006 and carried out under the Local Safeguarding Children Boards (Review) Regulations 2013.
- 7.6.3 Lewisham was last subject to a full inspection of our CSC Department in November 2015, with the report published in February 2016. Based on current arrangements Lewisham would expect to receive a further inspection within the next 2 years or equally could receive a thematic inspection through the Joint Targeted Area Review (JTAI) inspection arrangements from any time from now onwards.
- 7.6.4 All aspects of Children's Social Care fall under the Ofsted regulatory regime and in effect this regime sets standards which the council is required to adhere to. The local authority is not free (as with some council services) simply to 'cut its coat according to its cloth' but rather is expected to provide a service that meets requirements. If an Ofsted inspection finds (as in a number of London boroughs) that standards are not met, the Council is required to rectify this or risks CSC being removed from Council control.

8. **Understanding demand:**

8.1 What are the demand trends?

8.1 The main driver of demand is the increase in population in Lewisham of children and young people aged under 18, although less steeply since 2013. The increases since 2011 are as follows

Year	Population	%Growth Cumulative	%Growth Annual
2011	64,234		
2012	65,153	1.43%	1.43%
2013	66,276	3.18%	1.72%
2014	67,366	4.88%	1.64%
2015	68,137	6.08%	1.14%
2016	68,845	7.18%	1.04%
2017	69,330	7.93%	0.70%

8.2 What are the key headline statistics for CSC in Lewisham?

	As at August 2017	Statistical Neighbours	National
Number of children 0 to 18	68,250		

No of contacts and referrals per 10,000 population	403	470	548
S47 child protection enquiries per 10,000 population	184	143	138
Number of children on Child Protection Plans	306	**	**
Number of Looked after Children per 10,000 population (1)	65.1	65.1	60

8.3 What drives demand for CSC?

8.3.1 There are a number of drivers for demand which have resulted in increased spend across London. They can be seen as associated with economic disadvantage, increased child poverty and with intergenerational problems of mental health and deprivation, including:

- Increase in incidence of poor parental mental health linked with substance abuse, leading to neglect of children and poor attachment
- Increase in problems of adolescent mental health (e.g. increasing incidence of self-harm, eating disorders, suicidal ideation)
- Increase in gang involvement in drug dealing, leading to exploitation of vulnerable young people, including sexual exploitation and peer on peer abuse
- Increase in homelessness, mobility and transience
- Increase in Unaccompanied Asylum Seeking Children

9. Analysing the budget overspend

The Children Social Care Budget is made up as follows:

Area of spend	£ m	Forecast overspend 17/18 £m
Staffing	11.0	1.8
Children's placements	25.0	3.0
Legal fees	0.8	0.0
Supplies and services	0.5	0.0
Section 17	0.3	0.8
Total	£37.6	£5.6

9.1 Staffing

9.1.1 For 2017/18, the forecast overspend is £1.8m.

The overspend has arisen for a number of reasons, in addition to the recruitment and retention issues referred to above:

- Expenditure on new 'front door'/MASH
- Large number of staff on maternity leave
- Additional Key Workers for adolescents on the edge of care
- Additional social work team in Family Social Work
- Additional business support staff to address shortcomings identified by Ofsted

9.1.2 Staffing costs are driven by:

- Service demand, since to enable social workers to operate safely and effectively, their caseloads must be limited; currently there remain pressure points in this area.
- Recent increases across London in agency staff, driven by the competitive market for staff and many social workers' choice to opt for agency work.
- Implementation of improvement plans following a critical Ofsted report published early in 2016 which rated Lewisham CSC as 'requires improvement'.
- Challenges in recruiting and retaining senior staff in the service, leading to agency spend.

9.1.3 Staffing costs make up a quarter of the budget (£11m)

- There are 266 staff in Children Social Care
- 21% of Lewisham's CSC staff are agency staff (57 FTE). This is by no means the highest in London but is higher than national (18%)
- Agency staff cost on average £12k more per year than employed staff
- To bring the agency staff down to 10% of the total staff numbers would save £0.4m.
- Lewisham's rates of pay for SWs are within the lowest quartile in London

9.1.4 Caseloads by team are shown below

Team	Average number of cases per social worker	
	Target	Actual
Referral & Assessment	10	19
Family Social Work Service	15	16
Fostering	15	16
Social workers within LAC/Leaving Care	15	14
Personal Advisors within LAC/Leaving Care	20	30

9.1.5 Front door/MASH

This was required to address the grave shortcomings identified in our Ofsted report which identified the ineffectiveness of our front door in ensuring that children and their families receive the right support at the right time. It is well known in CSC nationally that a poor and ineffectual front door not only exposes children and the council to the risk that a child suffers as a result of

drift, delay or inaction but also means that in the medium term, the 'high end' demand will be greater because of the failure to intervene early. An effective front door and a MASH which marshals the agencies who work with children to support families in a joined up way will improve outcomes, but this is hard to measure early on its lifespan, although there is a well-developed performance scorecard to track throughput, timeliness and outputs.

10 Placements budget

- 10.1 The placements budget of £25m is expected to overspend by £3.0m in 2017/18.

At the end of August there were 467 Looked after Children, the pattern over the past four years are as follows

August 2017	467
August 2016	440
August 2015	489
August 2014	516
August 2013	506

- 10.2 The rate of looked after children per head of population in Lewisham was high but is now in line with statistical neighbours. We cannot therefore predicate our plans on a large decrease in this number in the short or medium term. In general, local authorities are experiencing upward pressure on LAC numbers.

10.3 Placement unit costs

Looked after children are placed with the full cost falling to CSC (with a small number of exceptions for children with complex needs where there maybe tripartite funding across education and health). LAC are placed in either:

- In house foster placements – placements with foster carers who have been recruited by and are paid and supported directly by Lewisham
- Independent Fostering Agency placements – placements with foster carers who have been recruited by and are paid by the IFA, with an agency fee as an overhead. These are used particularly for 'higher end' or more complex cases.
- Residential placements – these are a last resort for young people who have not/cannot thrive in a foster placement. A small minority of those children in residential placements even require secure placements which require additional approval from court and are both expensive and hard to source because of a national shortage.

- Semi-independent placements – for young people whereby they do not wish/require foster care placement and are being prepared with the requisite skills for independent living post age 18.

10.4 The table below shows that:

- Unit costs in Lewisham compare reasonably well with statistical neighbours and while improving value for money is always a priority, there is not a large margin for improvement
- Placements in Lewisham are skewed towards the higher cost placements. For those in foster care, the distribution of children between in house and IFA is about 50/50 but the IFA placements cost twice as much on aggregate. Putting it simply, if the balance can be changed to increase in house fostering and reduce reliance on IFAs and escalation to residential, the placement budget could be reduced substantially.
- Our position in part reflects a national context, with the ADCS and others describing the market for children’s social care placements as ‘broken’, with escalating costs and competition for placements between local authorities.
- Lying behind this is a ‘burning platform’ position where demand for placements exceeds supply, our own population of in-house foster carers is ageing and over the last few years, the rate of in-house foster carers leaving has exceeded recruitment.

	% Lewisham	% Statistical Neighbours	% National Average	Number as at Sept 17	Aggregate annual cost as at Sept 17
LAC in In-House foster placements	35.8%			168	
LAC in Independent Foster placements (IFAs)	42.2%			198	
LAC in Residential placements (1)	16.4%	12.4%	12%	77	
UNIT COSTS					
Residential placements	£3,741	£3,438	£3,446	35	£6.8m
Agency fostering	£911	£946	£911	198	£9.4m
In-house fostering	£426	£462	£480	168	£3.7m

Notes:- (1) Includes Semi-independent placements

11. Other areas of pressure

11.1. Section 17/Intentional homelessness

This budget area is forecast to overspend by about £0.5m. This appears to reflect increasing numbers presenting as intentionally homeless and then requiring support under the Children Act 1989.

11.2. Special Guardianship Orders

The cost of funding families who are looking after children under SGOs is growing by £0.3m a year. Under the current policy when an SGO is agreed, the support payments remain until child until the child ceases to be looked after or leaves full time education. Given that the profile of children on SGOs are mostly in the younger age groups, the number of 'joiners' is greater than the number of 'leavers' and hence the cost continues to grow each year.

11.3. Unaccompanied asylum seekers

Home Office funding for unaccompanied asylum seeking children (UASCs) does not cover the full cost of supporting the young person. Historically there has not been a budget to meet the costs associated with these placements but in the current year we are supporting 28 young persons and the net cost is £125k per annum. This does not include the additional staffing cost since they represent additional cases for social work teams (currently the equivalent of two social workers). Lewisham continues to take UASCs off the London rota and could receive an additional 23 young people before reaching the nationally set quota. London Councils estimates that taking the full complement of UASCs costs a council £1m net.

12. Strategy for reducing cost and bringing the service within budget

12.1 The Ofsted report in 2016 identified that there needed to be a major improvement programme for CSC, focusing on greater rigour, improved recording and performance management and much better systems and processes. The work achieved so far has necessitated investment in bringing the service's IT up to date, ensuring that the social workers have phones and ipads to enable mobile and secure working, a huge data cleansing exercise and development of a new performance framework. All this has necessitated investment from the corporate centre beyond that identified in the CSC budget. Alongside this, officers have been working to analyse the budget and develop a 'road map' towards reducing budget overspends. The strategies can be summarised as follows:

- Recruiting additional foster carers to reduce reliance on high cost independent fostering agencies - £1.5m.
- Working to reduce relatively high numbers in residential placements through stronger gatekeeping, monitoring and developing homegrown alternatives - £0.5m.
- Reducing reliance on agency staff through a strong workforce strategy and encouraging agency staff to become council employees – £0.4m.
- More effective front door and early help to reduce escalation to 'high end'

- Intervention at the edge of care to prevent high cost adolescents coming into the care system
- Better procurement to get best possible VFM from suppliers (placements, agency staff, contracts)
- Effective joint working with Housing Needs to reduce costs of intentional homelessness and improve housing options for care leavers - £0.5m.

Each of these strategies is explained in more detail below:

12.2 Recruiting additional foster carers to reduce reliance on high cost independent fostering agencies

Rationale	A comprehensive and effective fostering strategy will increase the number of in-house foster carers to bring us into line and ultimately outperform our statistical neighbours and reduce the overall cost of placements
ACTIONS	
<p><u>Undertaken</u> The contract for in-house foster care recruitment with a voluntary sector organisation (dates) has been terminated and in-house recruitment of foster carers commenced.</p> <p>A comprehensive fostering strategy and associated action plan has been developed</p>	<p><u>Planned</u> Reinvestment of £96k cost of recruitment contract into a new fostering recruitment service to demonstrate potential return from larger scale investment in recruitment of foster carers</p> <p>Development of in house fostering recruitment team.</p> <p>Monitor recruitment service to track spend, delivery and savings</p>
Investment in service improvement to date £0k	Additional investment required To reinvest £200k of savings following 'proof of concept'

<p>Savings achieved to date: £96k cost of under-performing recruitment contract recycled into in-house approach</p>	<p>Further savings planned: Potential for large scale savings: Increase children with in-house foster carers by 60 and reduce children in IFAs by 60 would generate savings of £1.5m This can be profiled over time as follows: Year 1 £50k Year 2 £600K Year 3 £1,500k</p>
<p>How will we know it's working?</p> <p>Ratio of in-house foster carers to agency, currently 40:60 and the target is to move it to 60:40</p>	
<p>Risks Recruitment of foster carers is a slow process, with a competitive market across London Children in existing placements cannot (and should not) be moved if their placement is working well and they are settled and happy, so the change can only affect new placements</p>	

12.3 Working to reduce relatively high numbers in residential placements through stronger gatekeeping, monitoring and developing home grown alternatives

<p>Rationale</p>	<p>Rigorous gatekeeping, monitoring and tracking of all residential and semi-independent placements ensures that young people are in the right placement for an appropriate length of time, with an exit strategy if appropriate. In addition tight monitoring of contracts ensures that the agreed contract is being delivered and where appropriate, the cost of the contract is brought in line with the service requirement and needs of the young person.</p>
<p>Overall savings target</p>	<p>£190k</p>
<p>ACTIONS</p>	

<p><u>Undertaken</u></p> <p>A Care Scrutiny (Placement Panel) meets weekly to review all new or higher cost placements</p> <p>Our placement procurement team has been strengthened to ensure the best placement at the best cost is identified; within this a Family Finder is in post to facilitate identification and transition to lower cost placements in line with a child's care plan.</p>	<p><u>Planned</u></p> <p>Identify whether it is feasible to work with a partner to develop local residential/intensive foster care provision which will reduce the need to place in high cost residential outside Lewisham. This was the substance of an Innovation Fund bid to DfE which was not successful but can be pursued if a case can be made for capital investment.</p>
<p>Investment in service improvement to date £50k – recouped through savings in placements</p>	<p>Additional investment required Potential Capital Bid.</p>
<p>Savings achieved to date: Net £140k</p>	<p>Further savings planned: Will be quantified as part of developing options for local provision</p>
<p>How will we know it's working? Reduction in average unit placement cost Reduction in the use of residential placements Further reduction in placement breakdown due to better matching</p>	
<p>Risks The market for residential care is subject to high demand and increasing unit costs in line with opportunities for private providers profit margins.</p> <p>Ofsted inspection standards for residential care make providers less willing to accept children with more complex needs; for those that will this often involves additional resource allocation, for example 2:1 staffing arrangements.</p> <p>With small numbers of children with complex issues making a big impact on budget, it is challenging to predict demand and need in high cost placements.</p>	

13.4 Reducing reliance on agency staff through workforce strategy, temp to perm.

<p>Rationale</p>	<p>Given that each agency worker costs an additional £12k per annum when compared to a permanent employed, if we improve our recruitment and retention of social workers, we will save money.</p>
<p>ACTIONS</p>	
<p><u>Undertaken</u></p> <p>A workforce strategy is in place, endorsed by CYP Select Committee November 2016 which includes:</p> <ul style="list-style-type: none"> • Retention strategies and developments • Recruitment developments • Procedural clarity • Consultation and communication arrangements • Learning and development <p>All Staff Forums, monthly All Managers meetings staff, Quarterly service days have been introduced across CSC.</p> <p>Revised tracking systems are in place for permanent recruitment, vacancies and agency use to improve accountability and timeliness.</p> <p>Lewisham is one of four partners (Goldsmiths University, Southwark & Greenwich Council) which form the Dfe funded South East London Teaching Partnership (SELTP.) This leads to a range of social work development opportunities.</p> <p>Workshops held with agency staff on IR45 to promote a move into Council employment; 8 agency workers are currently being processed for permanent employment.</p>	<p><u>Planned</u></p> <p>A new Induction policy is due to be launched in September 2017</p> <p>A revised supervision framework is due to be launched in September 2017</p> <p>Leadership development programme agreed with the SELTP and Corporately within the Council.</p> <p>A learning and development career framework is due to be launched in October 2017</p> <p>Social work recruitment via the DfE Step up Social Work recruitment programme is being developed within the SELTP.</p> <p>Championing Children, Transforming Futures transformation programme based on a systemic model of social work intervention is being developed, target roll out winter 2017.</p>
<p>Investment in service improvement to date £0k</p>	<p>Additional investment required £0k</p>

Savings achieved to date: £0k	Further savings planned £400k
How will we know it's working?	
Reduced level of agency workers – target 10%. Will never be 0% because of maternity and long term sickness cover.	
Risks	
Social work pay and the housing market may drive social workers to agency work or higher salaried authorities; social workers are nationally in high demand still.	
Caseload pressures particularly in the Referral and Assessments services increase the risk of staff turnover.	

13.5 More effective front door and early help to reduce escalation to 'high end'

Rationale	More effective early help and an effective front door will give families the support when they need it and reduce escalation to higher cost services, in particular becoming looked after
ACTIONS	
<u>Undertaken</u>	<u>Planned</u>
<p>A new MASH (Multi-Agency Safeguarding Hub) early help team and front door team has been set up to support families to avoid the need for more statutory intervention; better assess levels of need and match to service and meet Ofsted requirements.</p> <p>There are a range of partners sited within the MASH</p> <p>A 'Continuum of Need' has been developed to give clarity on responsibilities for service provision for CSC and partners agencies across the ascribed levels of need.</p>	<p>The formal launch of our new Early Help arrangements to further promote this across the partnership prior to March 2018.</p> <p>Complete partnership engagement in the MASH with recruitment of Housing and CAMHS links.</p> <p>Address continued high referral rate from the police by achieving a better common understanding of thresholds.</p>

<p>Referrals to partner agencies from the MASH are tracked to ensure engagement and promote outcomes sought.</p> <p>A revised Early Help Assessment has been developed and rolled out across the partnership.</p> <p>Revised Early Help Training is being delivered by the Early Help Team.</p>	
<p>Investment in service improvement to date £600k</p>	<p>Additional investment required £0k</p>
<p>Savings achieved to date: £0k</p>	<p>Further savings planned None prior to 2020</p>
<p>How will we know it's working? Tracking numbers of referrals accepted by CSC Increased engagement of families with early help services Slowing demand on specialist CSC services Service quality audits (and multi-agency audits carried out by LSCB) and Ofsted inspection</p>	
<p>Risks Impact will take time to deliver, important that service is allowed time to embed. The needs of the partnership for safeguarding support may outstrip supply</p>	

13.6 Intervention at the edge of care to prevent high cost adolescents coming into the care system

<p>Rationale</p>	<p>Lower cost early help key worker support for adolescents in crisis and at risk of coming into care will prevent escalation and future high placement costs</p>
<p>ACTIONS</p>	

<p><u>Undertaken</u></p> <p>The First Options service is now in place. This consists of redeployed formerly ESF funded key workers as team to support adolescents in crisis, linked with early help service and front door/MASH.</p> <p>The First Options Team have been:</p> <ul style="list-style-type: none"> - Provided with a Departmental induction - Trained through the SELTP In restorative approaches - Trained in trauma informed practice <p>The numbers of young people who have been prevented from becoming LAC in 2017 is 54; the number of delayed/planned admission to care through the work of the team is 1; the number of young people successfully rehabilitated home from care 1; this amounts to cost avoidance of c£600k (based on half the costs of 54 young people not entering care and 1 rehabilitation home, unit costs are based on in house foster care rates.)</p>	<p><u>Planned</u></p> <p>Keep the effectiveness of the team under review and improve links with other relevant early help services (Youth First and YOS) to maximise support for young people and impact on outcomes</p>
<p>Investment in service improvement to date £300k per annum</p>	<p>Additional investment required Ongoing commitment to fund staff</p>
<p>Savings achieved to date: Cost avoidance of c£600k</p>	<p>Further savings planned Cost avoidance of at least £500k per year</p>
<p>How will we know it's working?</p> <ul style="list-style-type: none"> - Number of children where the young person remains with their family post intervention - Number of delayed/planned admissions to care 	
<p>Risks None</p>	

13.7 Better procurement to get best possible VFM from suppliers (placements, agency staff, contracts)

Objective/rationale	Improved procurement and contract management across children’s social care will improve value for money in a volatile and fragmented market place
ACTIONS	
<p><u>Undertaken</u></p> <p>A contract officer is now in place to ensure monitoring of individual placement agreements, recharges and discounts are applied.</p> <p>We have maintained a private provider framework agreement with Independent Fostering Agencies, to achieve cost volume and placement discounts, avoiding cost increases for the last 8 years.</p> <p>A South London consortium Innovation Dfe bid in was successful and is currently being developed to better commission and procure savings on residential care.</p>	<p><u>Planned</u></p> <p>Ongoing participation in South London Consortium and any other partnership arrangements which deliver savings</p>
Investment in service improvement to date £40k	Additional investment required £0k
Savings achieved to date: £160k	Further savings required £0k
<p>Key performance outcomes</p> <ul style="list-style-type: none"> - Reduced unit costs for placement costs - Individual placement agreements in place 	

Risks

The market for residential care is subject to high demand and increasing unit costs in line with opportunities for private providers profit margins.

Ofsted inspection standards for residential care make providers less willing to accept children with more complex needs; for those that will this often involves additional resource allocation, for example 2:1 staffing arrangements.

With smaller numbers making a big impact on budget it is challenging to predict demand and need in high cost placements.

13.8 Effective joint working with Housing Needs to reduce costs of intentional homelessness and improve housing options for care leavers

Objective/rationale	To minimise the cost of intentional homeless needs and to ensure that the most cost effective housing is provided for care leavers
ACTIONS	
<p><u>Undertaken</u></p> <p>The cost of care leavers accommodation has been reduced by commissioning of approved provider supported housing units.</p> <p>Systems are in place to ensure all housing benefits are claimed for all care leavers in semi-independent accommodation.</p> <p>Additional Shared Housing Units have been jointly procured with housing for young people outside of Lewisham.</p> <p>A joint Housing/CSC Strategy group is in place and meets regularly.</p> <p>Housing partners sit on the weekly Care Scrutiny panel and are soon to join MASH.</p>	<p><u>Planned</u></p> <p>A new contract is being developed for semi-independence providers to ensure quality and improved vfm.</p> <p>Additional 10 housing units from preferred providers are being commissioned for young people under 18 to avoid spot purchase.</p> <p>A protocol and panel arrangement is being developed jointly with Housing partners to risk assess and promote joint earlier intervention for families at risk of homelessness.</p>

<p>Arrangements for response to young people presenting as homeless has been strengthened and joint training with CSC and Housing undertaken.</p> <p>Any external housing funded by CSC due to intentional homelessness is now procured through Housing to ensure vfm.</p>	
Investment in service improvement to date £0k	Additional investment required £0k
Savings achieved to date: £1,600k	Further savings planned £500k
<p>Key performance outcomes Reduced numbers of families with children presenting as intentionally homeless Length of support via S17 reduced</p>	
<p>Risks The combination of the rising costs in the housing market and the impact of welfare reform is increasing the numbers of homeless families overall</p>	

13.9 The overall summary of savings planned are as follows

Ref	Strategy	Savings	
		Made £'000	Future £'000
9.1	Recruiting additional foster cares		1,500
9.2	Reduce numbers of children requiring residential places	190	500
9.3	Reducing agency staff		400
9.4	More effective front door		
9.5	Intervention at edge of care		
9.6	Better procurement		
9.7	Reduce Intentional homelessness and improve housing options for care leavers	1,600	500
	TOTAL	1,790	2,900

13. Conclusion

- 13.1 This report highlights that controlling and reducing the overspend in CSC is vital for the council finances. All the initiatives which are being undertaken and are described in this report involve a degree of systems change. The problems faced by Lewisham are common across London and beyond. London Councils are working with the LGA on lobbying strategies to highlight the scale of the problem.
- 13.2 The CSC challenge is to make up the £0.9m savings unachieved to 2017/18 and find a further £2.6m by 19/20 – total £3.5m. The above £2.9m requires urgency to deliver in time but still leaves a shortfall of £0.6m. Further work will be to drill into benchmarking to try and accelerate good lessons and practice.

14. Financial implications

- 14.1 There are no specific financial implications to this report although it concerns the council's finances.

15. Legal implications

- 15.1 The legal basis for the provision of CSC services is set out in the report.

16. Crime and disorder implications

- 16.1 Children's Social Care works very closely with Youth Offending as they work with many of the same young people and their families. The police are key partners is the MASH and LSCB and Children and Young People Directorate is a key part of the Safer Lewisham Partnership.

17. Equalities implications

- 17.1 CSC is designed to promote equality of opportunity by giving children a better start in life than they would without the service's intervention. The service inevitably deals predominantly with those who are disadvantaged economically, in terms of disability, health and other protected characteristics.

If there are any queries on this report please contact Sara Williams, Executive Director for CYP sara.williams@lewisham.gov.uk , Stephen Kitchman, Director for Children's Social Care Stephen.kitchman@lewisham.gov.uk and Dave Richards Group Finance Manager dave.richards@lewisham.gov.uk

Public Accounts Select Committee		
Title	Communicating the Council's budget position	
Contributor	Head of Communications	Item 5
Class	Part 1 (open)	27 September 2017

1. Summary

1.1 The report is late due to delays in collating the required data.

1.2 The report provides details about communicating the Council's budget position in 2017 and 2018 including: budget messages, timeline of activity, key audiences and communication channels.

2. Recommendations

2.1 The Committee is asked to:

- Note the brief update, below.
- Direct questions to officers in attendance at the meeting on 27 September.

3. Background

3.1 Key budget messages

- What would you do if your salary was cut by nearly two thirds as your household bills increased? That is the difficult position we find ourselves in following the government's decision to cut 63% of its funding for Lewisham Council (2010 - 2020).
- The Government's 63% funding cut for Lewisham Council (2010 - 2020) meant we were forced to increase council tax by 1.99% in 2017/18 to fund vital services and 3% for social care. The increase was equivalent to 114p a week for a Band D property.
- Between 2010/11 to 2017/18 we have found savings of £160million. We have to find a further £32million of savings to bridge a funding gap for 2018/19 and 2019/20 caused by 63% government cuts and rising pressures on our services (population growth, ageing population, household growth and impact of government policy).
- We will continue to urge the Government to provide fairer funding for local government to support vital local services in Lewisham, particularly in adult and children's social care.
- Despite the Government's decision to cut 63% of its funding for Lewisham Council, we remain committed to making Lewisham the best place in London to live, work and learn.

3.2 Lewisham Council budget communications timeline and activity

The activity and dates in this timeline are all subject to change.

Date	Detail
22 November 2017	Government Autumn Budget published by Treasury
24 November 2017	Winter Lewisham Life magazine distributed
November / December 2017	Lewisham Overview and Scrutiny Committee – 1st stage budget proposals
November/December 2017	Lewisham Mayor and Cabinet – 1st stage budget proposals
Early December 2017	Provisional Local Government Finance Settlement published by Department for Communities and Local Government
January 2018	Final Local Government Finance Settlement published by Department for Communities and Local Government
January 2018	Greater London Authority sets their Precept for 2018/19
January/February 2018	Lewisham - Further scrutiny of budget proposals
23 February 2018	Spring Lewisham Life magazine distributed
February 2018	Mayor & Cabinet agree Budget & Council Tax 2018/19
February 2018	Full Council meeting approves Budget & Council Tax for 2018/19
March 2018	Letter from Mayor sent to every Lewisham household who pays council tax about 2018/19 budget and council tax levels
22 June 2018	Summer Lewisham Life magazine distributed

3.3. Audience for Council communications

We will be speaking to Lewisham residents and Lewisham Council staff in 2017 and 2018 about the Government's decision to cut 63% of its funding for Lewisham Council and budget pressures faced by the Council.

3.4 Communication channels

We will use the following channels to communicate with our residents about the Government's decision to cut 63% of its funding for Lewisham Council and budget pressures faced by the Council:

- Lewisham Life magazine (delivered to 110,000 households four times a year)
- Lewisham Life e-newsletter (delivered to 40,000 residents every week)
- Lewisham Council Twitter, YouTube and Facebook accounts (reach over 20,000 people)
- Lewisham Council website (visited by over 1,600,000 unique annual visitors a year)
- Internal messages sent by email and the intranet can reach over 2000 members of staff.
- National, regional and local media are read, watched and listened to by thousands of people who live in Lewisham.
- Public meetings in Lewisham including Local Assemblies.

4. Financial implications

The financial implications of the communications activity will be available when a final timeline of activity has been agreed.

5. Legal implications

There are no further legal implications arising from the context of this report,

6. Crime and disorder implications

There are no specific crime and disorder implications.

7. Equalities implications

There are no specific equalities implications.

8. Environmental implications

There are no specific environmental implications.

9. Conclusion

The report provides details about communicating the Council's budget position in 2017 and 2018 including: budget messages, timeline of activity, key audiences and communication channels

10. Background documents and originator

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