

<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number:</b>	EX31/2020
<b>Relevant Officer:</b>	Diane Booth, Director of Children's Services
<b>Relevant Cabinet Member:</b>	Councillor Lynn Williams, Deputy Leader (Children) and statutory Cabinet Member for Children's Services
<b>Date of Meeting:</b>	13 July 2020

## **UPDATED CHILDREN'S SERVICES MEDIUM TERM FINANCIAL STRATEGY**

### **1.0 Purpose of the report:**

- 1.1 To seek approval for the updated Children's Services Medium Term Financial Strategy. The report details the activities already ongoing and previously agreed measures to address the current overspend in Children's Social Care. The report seeks agreement for further investment to more swiftly address particular cost drivers – spend on residential placements and spend on foster homes provided by independent fostering agencies.

### **2.0 Recommendation(s):**

- 2.1 To approve the updated Children's Services Medium Term Financial Strategy as attached at Appendix 4a, to the Executive report, and the revised modelling attached at Appendix 4b, to the Executive report.
- 2.2 To approve the funding of a £1.2m per year for two years specific project a specific project to step-down from residential care via a therapeutic children's home into specialist foster placements
- 2.3 To approve the funding of £460,000 including investment of £300,000 necessary to transform the council's fostering service as set out in Appendix 4c, to the Executive report.
- 2.4 To approve the changes in payments to foster carers at a cost of £1.1m as set in Appendix 4c, to the Executive report.

### **3.0 Reasons for recommendation(s):**

3.1 The revised Children’s Services Medium Term Financial Strategy builds on and develops the transformative work undertaken in children’s services over the past 18 months. Through that time, services have improved and become more robust and work with vulnerable families has become more effective and child and family focused. The Children’s Services Medium Term Financial Strategy makes clear the link between better support for children and families and long-term cost reduction. The strategy also emphasises that to achieve more for children and families, more quickly, then further investment in critical areas of the service is required. Modelling suggests that investment will be repaid in improved outcomes for children, young people and their families; and in reduced cost to the Council.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

The modelling took into account 3 different scenarios: the likely consequences of the next five years following the same pattern as the previous 5 years; the likely impact of already agreed and proposed activities over the next 5 years; and the likely impact of the projects requiring additional investment (in addition to the already agreed and proposed activities).

The modelling shows that a continuation of past trends will lead to substantially escalating cost over the next 5 years. It also shows that the impact of initiatives already in place and ongoing will substantially mitigate cost pressures. The modelling also demonstrates the value of investing in further activities targeted at critical cost drivers: the placements of children in public care. Finally, the model shows that expenditure on children’s services is unlikely to fall in the next two financial years, but should do so in the following 3 years.

### **4.0 Council Priority:**

4.1 The relevant Council Priority is: “Creating stronger communities and increasing resilience”.

## **5.0 Background Information**

- 5.1 The drivers for rising expenditure in children's services are well understood and have been for some time: the number of children in care; and the number of those children in costly residential placements or independent fostering agency foster homes.
- 5.2 The updated Children's Services Medium Term Financial Strategy is ambitious, but it needs to be, given the current level of expenditure on Children's Social Care. As the Department for Education advisor's recent report to the minister makes plain, while considerable progress has been made in the quality and robustness of services provided for vulnerable local children and families, it is critical that the financial pressure arising from children in care and the cost of their placements be addressed. The Council's exposure to the external market in placements for children in care needs to be reduced and limited. The proposals in this paper seek to do so.
- 5.3 Supported by ongoing investment by the Council and under the oversight of the Department for Education Commissioner and Advisor, over the past 15 months, Children's Social Care has been reviewed and redesigned, beginning with the multi-agency safeguarding hub and the assessment and support teams; and then working backwards through the service. This has led to a much more robust, resilient service overall. It has also led to legacy issues being addressed, especially around long-term neglect and children and families with repeated cycles of Children's Social Care involvement. This, in turn, has led to an increase in the number of children in care from the late autumn of 2019 and into 2020.
- 5.4 The growth in the number of children in care has substantially increased the pressure on Children's Services budgets, as the Council's own foster home capacity was exhausted. This has led to an increase in the number of children placed in foster homes purchased from independent fostering agency placements, in addition to increased fragility in placements and escalation of a steady number of young people into the most expensive placements of all: children's homes.
- 5.5 Working with colleagues from Essex County Council, Blackpool has reviewed critical parts of its children's services designed to keep children with families and reduce the cost of finding homes for those children who have to enter care. Recently, the Council's Senior Leadership Team approved the transformation of the current 'Edge of Care' offer and this report and Appendices outlines the critical changes that need to be made to the fostering service and recruitment of foster carers.
- 5.6 The Medium-Term forecast – jointly developed by colleagues in the Corporate Delivery Unit and Finance department - on the basis of already agreed projects and approaches, foresees a moderation in expenditure over the next five years. The same modelling points to a clear need to address the fundamental drivers for recent cost

escalation more swiftly and more sustainably; and that these proposals offer a good prospect of return on the investment required.

5.7 Does the information submitted include any exempt information? No

**5.8 List of Appendices:**

Appendix 4a: Children Services Medium Term Financial Strategy

Appendix 4b: Revised Children Services Medium Term Financial Strategy Modelling

Appendix 4c : Transforming the Fostering Service and Support for our Foster Carers: Executive Summary

**6.0 Legal considerations:**

6.1 In order to urgently address the current overspend in Children's Social Care and to fund a specific project to step-down from residential care into specialist foster placements it is intended to use the powers granted by Cabinet Office in their Public Procurement Policy Note 01/20 to directly award a contract to Innovate to deliver a managed service under regulation 32(2)(c) of the Public Contract Regulations 2015 where for reasons of extreme urgency brought about by events unforeseeable by us the time limits to run an open competition cannot be complied with, should investment be approved.

**7.0 Human Resources considerations:**

7.1 Should the proposals be agreed, the Fostering Service will be restructured, which will require assistance from the Council's Human Resources teams and use of Human Resources processes, although as the changes represent service growth, it will not result in any job losses, or associated additional costs.

**8.0 Equalities considerations:**

8.1 There are no direct equalities considerations. The long-term impact of the changes are likely to be more children in Blackpool either living with their own birth family, or with another family in the Blackpool area.

**9.0 Financial considerations:**

9.1 Maximum Investment of £1.2m per year for two years in the therapeutic children's home and Specialist Foster Carer project.

9.2 Investment of £1.1m in Foster Carer Payment rates.

9.3 Investment of £300,000 to support the reorganisation of the Fostering Service (full estimated cost £470,000, but a proportion of the additional cost to be met using existing funds).

**10.0 Risk management considerations:**

10.1 There are clear risks concerning the current levels of expenditure, both to the Council's own financial position, but also in the Department for Education appointed Commissioner's perception of the council's ability to deliver children's services.

10.2 There are also risks created by the scale of change required and sustaining momentum in improving children's services – the projects underpinning the medium term financial strategy will need extensive multi-disciplinary support and on-going oversight at senior levels within the council.

10.3 Finally, there are risks that the projects will not work as intended/designed – this is a complicated area of work and there are many factors in play not wholly controlled by the council or its officers. The modelling informing the plan assumes a 50% success rate from the projects requesting investment, but it could be less or more than that.

**11.0 Ethical considerations:**

11.1 The long-term impact of the proposed changes are likely to be more children in Blackpool either living with their own birth family, or where this is not possible, with another family in the Blackpool area.

**12.0 Internal/ External Consultation undertaken:**

12.1 These papers have been developed through the collaboration of officers in the Corporate Delivery Unit, Finance and Children's Services. In addition there has been external discussion and consultation with colleagues from neighbouring local authorities and Essex County Council and input and guidance from the Department for Education appointed advisor.

**13.0 Background papers:**

13.1 None.

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 4/2020

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 3 July 2020 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1 None.

**18.0 Executive decision:**

18.1 The Executive agreed the recommendations as outlined above namely:

1. To approve the updated Children's Services Medium Term Financial Strategy as attached at Appendix 4a to the Executive report, and the revised modelling attached at Appendix 4b to the Executive report.
2. To approve the funding of a £1.2m per year for two years for a specific project to step-down from residential care via a therapeutic children's home into specialist foster placements.

3. To approve the funding of £460,000 including investment of £300,000 necessary to transform the Council's fostering service as set out in Appendix 4c to the Executive report.
4. To approve the changes in payments to foster carers at a cost of £1.1m as set in Appendix 4c to the Executive report.

**19.0 Date of Decision:**

13 July 2020

**20.0 Reason(s) for decision:**

20.1 The revised Children's Services Medium Term Financial Strategy builds on and develops the transformative work undertaken in children's services over the past 18 months. Through that time, services have improved and become more robust and work with vulnerable families has become more effective and child and family focused. The Children's Services Medium Term Financial Strategy makes clear the link between better support for children and families and long-term cost reduction. The strategy also emphasises that to achieve more for children and families, more quickly, then further investment in critical areas of the service is required. Modelling suggests that investment will be repaid in improved outcomes for children, young people and their families; and in reduced cost to the Council.

**21.1 Date Decision published:**

14 July 2020

**22.0 Executive Members in attendance:**

22.1 Councillor L Williams, in the Chair

Councillors Benson, Brookes, Campbell, Farrell, Hobson, Kirkland, Smith and Taylor.

**23.0 Call-in:**

23.1

**24.0 Notes:**

24.1 The following non-Executive member was in attendance:

Councillor Collett