

Report to:	CHILDREN AND YOUNG PEOPLE'S SCRUTINY COMMITTEE
Relevant Officer:	Diane Booth, Director of Children's Services
Meeting	28 January 2021

CHILDREN'S SERVICES MEDIUM TERM FINANCIAL PLAN

1.0 Purpose of the report:

1.1 To provide an update on the Children's Services Medium Term Financial Plan – its aims, the contributing work underpinning the plan and the progress to date.

2.0 Recommendation(s):

2.1 That the Committee notes the report provided and considers the progress made to date in implementing the strategy.

3.0 Reasons for recommendation(s):

3.1 The Children's Services Medium Term Financial Plan (MTFP) and additional investment was approved by the Council's Executive on 13 July 2020. This report provides an update on progress in implementing the strategy over the following six months.

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

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 Modelling undertaken by Finance and Corporate Development Unit colleagues took into account three different scenarios: the likely consequences of the next five years following the same pattern as the previous five years; the likely impact of already agreed and proposed activities over the next five years; and the likely impact of the projects requiring additional investment (in addition to the already agreed and proposed activities).

4.2 The modelling showed that a continuation of past trends will lead to substantially escalating cost over the next five 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 three years after that.

5.0 Council priority:

5.1 The relevant Council Priority is: Creating stronger communities and increasing resilience .

6.0 Background information

- 6.1 The revised medium term financial strategy built on and developed the transformative work undertaken in Children's Services over the previous 18 months. Through that time, services had improved and become more robust and work with vulnerable families had become more effective and child and family focused. The medium term financial strategy makes clear the link between better support for children and families and long-term cost reduction. The strategy also emphasised that to achieve more for children and families, more quickly, further investment in critical areas of the service was required. Modelling suggested that investment will be repaid in both improved outcomes for children, young people and their families and in reduced costs to the Council.
- 6.2 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.
- 6.3 The medium term financial strategy is ambitious, but it needs to be, given the current level of expenditure on Children's Social Care. 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 needed to be reduced and limited. The MTFP and its supported work-streams sought to do so.
- 6.4 Supported by ongoing investment by the Council and under the oversight of the Department for Education Commissioner and Adviser, between February 2019 and July 2020, 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 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, led to an increase in the number of children in care from the late autumn of 2019 and into 2020.
- 6.5 This growth in the number of children in care substantially increased the pressure on Children's Services' budgets, as the Council's own foster home capacity was exhausted. This then 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.
- 6.6 Working with colleagues from Essex County Council, Blackpool 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. This led to the redesign of the 'Edge of Care' offer and this report and the further proposals agreed in July 2020 sought investment to transform the fostering service and the recruitment and training of foster carers, together with funding for an innovative project to step-down children in children's homes to foster homes, by using a time-limited therapeutic children's home.

6.7 Following agreement of the Medium Term Financial Plan, an Implementation Board was set up to monitor progress, which consists of senior officers from Children's Services (DCS and Assistant Director), Finance, Legal Services, the Corporate Delivery Unit, the Chief Executive and the Director of Communications and Regeneration. The Board meets monthly and has now met four times.

Underpinning the Medium Term Financial Plan were five work programmes:

- **Fostering Service Transformation** - The recruitment campaign launch for new foster carers took place on 13 January 2021. Recruitment following the soft launch of the revised support offer and payment package continues, with 15 assessments of putative foster carers ongoing. New applicants have had panel dates for approval postponed because of delays in completing the necessary checks, in particular medical checks. Approval at panel should follow in the New Year. Revised payment rates for foster carers were successfully implemented in November 2020. Tighter management of the service and, by extension, foster carers is leading to some turnover in foster carer households, in addition to some carers being lost through Special Guardianship, or alternatively temporarily having no children in placement.
- **Therapeutic Children's Home and Step Down** – Initially delayed through registration difficulties (it was due to open in early October 2020), but operating since late November 2020 with the first child entering the home before Christmas. For the two years of the project, 12 children a year will enter the home for a 16-week period before being supported to step down into foster care for 12 weeks.
- **Legal Services Transformation** - Recruitment into new roles within the structure is complete, with all but one now in post. Locum solicitors all finished before Christmas. Recent increased activity in court has led to higher expenditure in October 2020 on external counsel fees. Focus in the New Year will be on reducing external counsel fees, improving relationships with the court and supporting better presentation of the Council's position on individual cases in court.
- **Edge of Care Services** - The new service has expanded its reach over the past month. The Families Together Intervention Team is now working with a total of 23 families (53 children). The service has further capacity and is reviewing families with longer term child protection plans to identify further families for support. In addition, the Families Together Family Group Conference Co-ordination team is working with families with 69 children. Over the past nine months the service has worked with or is currently working with families including 243 children and young people, of which fewer than 10 per cent have entered public care. While it is too early to arrive at a clear estimation of the effectiveness of the services, initial indications are positive. In a wider context, the number of children entering care in Blackpool has slowed significantly. The number of children entering public care over the past six months is lower than at any point in the past six years, with entry rates for those aged five years or older lower than at any point in the past decade.
- **Discharges from Care** - Four panels considering the permanence for children with full care orders met during November 2020, December 2020 and early January 2021, with further panels planned running into the New Year. The number of children leaving care continued at a high rate, with 119 children leaving in the past six months, with an acceleration during the autumn as Family Courts resumed more regular sittings. A further group of those children identified for discharge during the original project work in the winter of 2019/2020 are due to be heard in court in the first two

months of 2021.

- 6.8 Reporting to the Board identified the unplanned ending of placements for children in care as both a major concern in itself because of the impact on the child and a significant driver for cost increases. There has therefore been a further work programme added to the strategy focused on **Children in Care Experiencing Multiple Homes**. Work has begun to develop a more child-centered process to matching each child to the best suitable home, exploring what sort of additional support would be effective in supporting children at risk of an unplanned ending in placement and developing a more consistent approach to managing unplanned endings to placements. Work will be informed by analysis of a sample of recent unplanned endings, followed by focused learning and reflection pulling together expertise from the social work service and support teams.
- 6.9 As part of the reporting, critical risks to delivery of the plan are identified, mitigation identified and progress discussed. The two risks that pose the most significant challenge to the delivery of the objectives are: **Vacancies and levels of experience in key social work teams**, which, in spite of ongoing recruitment and new approaches and additional incentives, remains an ongoing issue for the Council and **Delays in family court hearings**, where there remains a substantial and increasing legacy of court proceedings lasting more than six months and in discharges from care awaiting court scheduling. There is tighter oversight of court proceedings within the Council and closer working between legal services and Children's Services, but practice still needs to improve further to combat avoidable delays. The courts also continue to operate at reduced capacity.
- 6.10 Overall, across the first six months of the Medium Term Financial Strategy there have been many positive developments and most of the building blocks are now in place. However, as anticipated in the modelling, these changes have yet to have an impact on the pressure on social care budgets, as it will take time for these projects to impact on the cost drivers: children in residential placements and Independent Fostering Agency foster homes. The financial pressure from these placements is significant and remains so, with the full year effect of new placements agreed during 2020 being felt in 2021/2022.
- 6.11 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 5(a) – Children Service's Medium Term Financial Strategy

8.0 Financial considerations:

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

Investment of £1.1m in Foster Carer Payment rates.

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).

9.0 Legal considerations:

9.1 None

10.0 Risk management considerations:

10.1 None

11.0 Equalities considerations:

11.1 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.

12.0 Sustainability, climate change and environmental considerations:

12.1 There are no direct climate change considerations, although one outcome of the MTFP should be fewer children placed at distance from Blackpool, which would reduce the necessity of longer distance travel for social work visits and ongoing contact with birth family

13.0 Internal/external consultation undertaken:

13.1 The progress summary contained within the body of the report reflects the papers provided to and the discussion at the MTFP Implementation Board, which contains senior officers from Children's Services, Finance, Legal Services, the Corporate Delivery Unit, the Chief Executive and Director of Communications and Regeneration

14.0 Background papers:

14.1 None.