

MEDIUM TERM FINANCIAL STRATEGY FOR CHILDREN'S SERVICES – Updated Oct 2022

Aim of the Medium Term Financial Strategy

In 2020, Children's Social Care and Resources worked together to develop a medium term financial strategy spanning 5 years. This is the two year check point to review how the strategy is progressing, and update the projections to support effective service planning and budget management. Over the past two years, since the last MTFP we have seen –

- Emerging impacts from the pandemic on demand
- Growing pressure on the market for delivery of accommodation based services, both Fostering and Residential.
- More recently, significant increases in the cost of living which adds pressure to families, and impacts on the costs of services to support children and families.

In the development of the strategy, Children's Social Care asserted that statutory interventions are only effective when they are necessary and timely. Over intervention from statutory services are not only expensive, but they can be harmful to children, young people and families. That is not to say that children and families do not need support, but that it should be provided by the right service, at the right level and at the right time and that if this is done well, far fewer statutory interventions will be required. **This remains the clear view of the service and is a key principle that underlines the strategic approach.**

The medium term financial strategy is underpinned by actions across the service that are designed to ensure that more children and families receive coordinated and effective early help. Last year (2021) saw the launch of a new Early Help strategy across the partnership, focussed on ensuring that services working closely with families can coordinate effective support for them when it is needed, and feel supported in doing so.

The MTFP developed in 2020 set out a number of interventions designed to -

- Support the right families with early, targeted support that make a difference.
- Challenge and support partner agencies to support families and prioritise children and families at risk of intervention so that they receive the help they need from the whole system.
- See fewer children and young people in our care
- See fewer children in residential homes, with a greater percentage of our children living with foster families recruited by the Council.

Underpinning Aims

- **Reduce the total number of children placed in residential provision (rate per 10k) to regional average levels.** The North West average is 9 children per 10,000. Since 2020, the rate in Blackpool increased, but as the calendar year of 2022 comes to a close we are seeing this reduce. By 2025, we expect to have reduced the number of children and young people who are in our care placed in residential settings by at least 25%.
- **Reduce the number of children placed in foster care with independent fostering agencies by 25%.** A priority for our children is to provide stability and support in, wherever possible, a family home environment. Sometimes, the right home will be with a foster carer who is working with an IFA. Our use of IFA's must be driven by a balanced consideration of the

home best placed to meet the child's needs. As the activity which underpins this plan progresses, we will see a reduction in our IFA use. This will be achieved through a combination of an overall reduction in the numbers of children looked after, and a greater proportion of those who are looked after being supported by carers recruited directly by the Local Authority.

- Reduce the total number of children in care (rate per 10k) to the average of similar authorities - a reduction of 12% required.
- Reduce the total number of children with child protection plans (rate per 10k) to the average of similar authorities – a reduction of 44% required.
- Reduce the number of section 47 enquiries undertaken (rate per 10k) to the average for similar authorities - a reduction of 30% required.
- Reduce the number of referrals accepted by children's social care (rate per 10k) to the average for similar authorities - a reduction of 31% required.
- Reduce the total number of children aged 0-17 supported by Children's Social Care (rate per 10k) to the average for similar authorities - a reduction of 25% required.
- Reduce the total size of the workforce in line with the reduced number of children open to children's social care.

The aims are ranked in their order of importance, financially speaking. The greatest pressure on the budget available to support children and families in Blackpool is the disproportionate cost of residential care. The aims highlighted in bold have specific activities or projects to support their achievement. Achievement of the other aims will principally be supported through continued delivery of Blackpool Families Rock and more restorative and holistic ways of working, including more work joint work with adult services to coordinate support for parents facing challenges that impact on parenting capacity.

The following paper details the specific projects being undertaken to address the main cost drivers, the ones highlighted in bold.

The analysis overleaf explains the logic of the savings achieved by the aims. Figures are indicative, but based on actual cost and spend.

Introduction

As we entered the period of the MTFP in 2020 a lot of the building blocks were already in place. This paper mainly provides an update on the additional projects and initiatives that were proposed to tangibly affect and reduce the key cost drivers (numbers of children in residential placements, number of children in IFA placements and the number of children in care). But these proposals were not developed in isolation: they necessarily sit on top of what had already been put in place.

Building Blocks already in place

1. The most important recent change that should affect the MTFS is the implementation of the new approach to social work practice, 'Blackpool Families Rock', which seeks to change the way that local services operate: building relationships with local families and children and adopting a more positive strength-based approach. Local professionals are being trained in this approach and the recording system is being amended to support the new approach to practice. In addition, social work managers are receiving training from Partner in Practice colleagues from Stockport, which is designed to support social workers in working in the new manner.

Update -The support for Blackpool Families Rock, co-produced with our children and families, remains unwavering. Training and support has continued to roll out alongside a growing awareness and understanding about Trauma and Adverse Childhood Experiences and their impact on families and their approach to parenting and how a restorative, as opposed to deficit, model of early help and targeted intervention can be used to greatest effect.

2. Tighter oversight of care planning in the Care Planning Senior Officer Panel; and greater senior oversight of children at critical periods in their care planning, especially those on the cusp of entering care (in Public Law Outline pre-proceedings); and those that have just entered care, either on a section 20 agreement, or on an Interim Care Order.

Update – Since the commencement of the MTFP there have been structural changes in the senior leadership team in Childrens Social Care, with a new Director and new Assistant Director. The support and challenge at key decision points; the assurity that learning from audits and case reviews is being implemented and can be seen in direct work with children and families and the analysis and understanding of what the data tells leaders about the progress of work remains visibly high. Demonstrable outcomes can be seen in the sustained reduction of children entering the local authority care. For other critical decision making/Care planning for children there is an increasing level of scrutiny to ensure that children are supported in a way that is commensurate with their level of need, and which is focused upon achieving positive outcomes for them.

3. Closer working relationship with partner agencies, through the overarching Children's Partnership Board; but also through joint training, discussion and working with partners at critical parts of the children's social care system, such as Child Protection Enquiries, Conferences and Reviews; and in the Multi-Agency Safeguarding Hub (MASH), Awaken and other partnership teams.

Update – Since the commencement of the MTFP joint work with partners has continued to evolve, but is not without its challenges. As all public services face significant financial difficulties and potentially, will face further fiscal restrictions in the coming year we know that the resource partners put in to joint and multidisciplinary teams are at risk and clear and evidence based work may not be taken forward. A greater focus on "who pays" for support and services rather than a pragmatic shared approach is becoming evident in partnership work. This will be managed at a senior level within the local authority and the drawback of resource from partners, or impactful behaviour change, where evident, will be challenged.

4. Creation of a Family Group Conferencing Team, working with extended family groups to develop robust family plans for caring for children, chiefly as a tool for preventing entry into care, but also as a means of stepping down children and young people from care.

Update – the understanding of “what works” with families and children on the “edge” of statutory care is growing across services in Blackpool and the teams working at this critical level need to be shaped further to ensure that as this understanding grows, our response becomes more focussed on delivering impactful interventions. Family Group Conferencing is now embedded in the journey of families at risk of entering care. We are also refocusing resources to support those children in our care to ensure that where possible we rehabilitate them back to their parents care, and where this isn’t possible that we ensure that they are in family placements as we achieve more positive outcomes for children placed in a family environment

New initiatives following the MTFP in 2020

Since the main source of cost pressure is from the placements of children in the council’s care, action in the short and medium term needed to be focused on this area. It is both the most volatile area for expenditure and the area where a coherent strategy can have greatest impact in the medium term.

The overall *demand* for placements will be mainly addressed by the long term strategy and processes outlined above. We are already seeing the impact of this work in the data. The *supply* of placements, the *local market* for placements and most importantly our *care planning* for children in care, especially those in residential placements are all more likely to be affected by a different approach.

Broadly speaking, there were five component parts to the medium term strategy – all intended to reduce the numbers entering care, expedite children leaving care; or step down children and young people in care from the more expensive/most expensive types of provision. An update :

1. A comprehensive review and transformation of the fostering service and payments to carers *This is now in place. Recruitment of new carers has been positive, however we have also seen a reduction in the carers working with the Council as new standards have been introduced, and fewer “exceptions” are now granted. As a result, we have not yet seen significant net growth in capacity. However, we have not reached the tipping point where new entrants to the service should exceed retirements, and net growth should be evident in the coming year. Our focus will be to ensure that we have a net increase of a **minimum of 20 foster carer households over the next two years**. Although the overall number of carers and the places available has not yet significantly increased, we have seen positive recruitment and more recently, a greater skill mix within the cohort of foster carers working with the authority and a slower rate of carers exiting from the service.*
2. Development of an Assessment Centre, with outreach support and Specialist Foster Carer Recruitment to support step-down from residential placements. *This service was not as successful as hoped, and though there were some positive outcomes for individual young people the project required two areas of work to be equally productive – the support provided at the assessment centre, and the rapid recruitment of specialist foster carers. A commitment that this could be delivered was not met, and the service was wound down in November 2021. **This model will not be further pursued.***
3. A revised ‘Edge of Care’ Service (recently approved at CLT) *Further development of the “Families Together” model, reflecting learning and feedback from practitioners, families and critical success factors, will contribute to tweaks to the approach in the coming year to ensure that the service is actively reducing the level of risk and harm in families, enabling them to stay, or return to being, together.*

4. Continued application of the Dartington Service Design Lab methodology, building on the work already undertaken by Innovate Project Team, Legal Services and Supporting Our Children teams, seeking to mainstream the work, with support from the Corporate Delivery Unit.
This work continues – to ensure that where there is a possibility of reunification with family this is actively pursued with the child or young person to ensure a safe exit from statutory care.

5. Developing a semi-independent offer building on the Positive Transitions model that is currently working well, but directed at children in care, esp. those in residential placement.
The new “housing clinic” approach is now in place and working well, identifying and reviewing next steps for all young people between 16-18, ensuring that there is a positive and clear pathway for support and accommodation where required. Many young people approaching maturity have been supported in to semi-independent accommodation with a range of providers. Work has been underway to ensure the quality of both accommodation and support for these young people, including the development of Young Inspectors. The introduction of an inspection regime is anticipated in 2023 for Semi Independent living for young people - and there is a concern that this will destabilise a good market and potentially drive up costs.

In addition, there are a number of supporting initiatives currently underway to reshape the local market for placements and Blackpool’s relationship to that market, most importantly:

- Proactive engagement with the local Independent Fostering Agency market through direct work with key local providers; and work with Lancashire County Council, Blackburn with Darwen and Cumbria on how we can more effectively, jointly contract for more complex, hard to find care through jointly contracting for placements, such as large sibling groups, early adolescents and children with complex needs.

- A focus on increasing placement stability, which has been historically poor for our children. This contributes to a level of disruption in their lives which impacts on the outcomes for individual children and escalations in placement costs. Joint work across Social Care, Commissioning and Quality Assurance has been designed and implemented to identify concerns from providers and/ or professionals at the earliest point, enabling preventative support to be put in place to stabilise a placement and prevent breakdowns and unplanned moves. Where this is not successful, a root cause analysis is undertaken with the provider, the child and the social worker and manager to ensure that any lessons learned can be effectively utilised for the future.

- Shaping the local residential children’s home market, trying to ensure more of the local capacity, of which there is plenty, is available to Blackpool children and young people, rather than children from further away.
 - Blackpool has 70 Ofsted registered ‘children’s home’ beds in the town (24 children’s homes, owned by 7 providers). All 7 providers are being approached to talk about how we can have a relationship of “Blackpool first” for their placements. Any new provisions seeking to open in Blackpool will need to reach an agreement with the local authority about their usage.

MODELLING IMPACT TO INFORM FINANCIAL PLANNING

It is extremely difficult to model the impact of all of the proposed initiatives listed above, as they all are closely linked. To a large extent the conclusions of the modelling reflects the assumed effectiveness of the strategies and/or the ineffectiveness of previous strategies.

However, with these limitations in mind, we have developed three broad scenarios:

1. Modelling through the impact of doing nothing, i.e. assuming that the long term net annual increase in children in care continues and the local authority is no more effective than in the past 5 years in either meeting placement needs from in-house provision, exiting children from care expeditiously, or preventing their entry in the first place.
2. Modelling the likely impact of currently agreed projects/initiatives.
3. Modelling the likely cost-benefit/impact of additional proposed projects/initiatives in addition to those already in place, namely:
 - a. Assessment Centre/Specialist Foster Care Step-Down from residential provision
 - b. Fostering Service Transformation.

Model 1 – Nothing Changes and the next five years follow the same trajectory as the last 5 years.

This is most simply modelled through looking at the average entry into care for the past 5 years (2015 to 2019), the average rate of exit and the increase in the use of higher cost placements (IFAs and residential provision).

Using this methodology (more detail is available in Appendix A), suggests an increase in spend over the next 5 years as below. The analysis also suggests that there would be over 830 children in care by the end of the period.

Total estimated spend for 2020/21 (000s)	£ 47,500					
Additional Pressure from (all 000s)		Year 1	Year 2	Year 3	Year 4	Year 5
Residential provision		£ 1,040	£ 2,080	£ 3,120	£ 4,160	£ 5,200
Independent Fostering Agency Placements		£ 1,248	£ 2,496	£ 3,744	£ 4,992	£ 6,240
Numbers in Care		£ 87	£ 87	£ 87	£ 87	£ 87
Total Pressure		£ 2,375	£ 4,663	£ 6,951	£ 9,239	£ 11,527
Total estimated spend (000s)		£ 49,875	£ 52,163	£ 54,451	£ 56,739	£ 59,027

Alternatively, using the model developed to look at the impact of proposed changes and projects outlined below, the increase in spend is less, but the rise in the number of care is even higher (870+)

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Pressure	7,987	9,861	9,739	10,272	12,864
Total Projected Spend	48,487	50,361	50,239	50,772	53,364
				<i>all figures in '000s</i>	

In sum, while the headline figure differs depending on the complexity of the methodology used, both models show a substantial increase on what is already a significantly overspending budget.

Model 2 – Models the impact of currently agreed initiatives and makes assumption about their effectiveness and reach (these assumptions are outlined in more detail in the attached Appendix A)

Using a tougher average baseline for net entry into care based on the past 4 and a half years (2016 to end of May 2020), which gives a net increase of slightly less than 50 children a year, but applying assumptions around the effectiveness of key activities that are either on-going, or are planned and do not require additional investment.

Key activities include:

- Changed approach to practice (Blackpool Rocks),
- Repeated 'Dartington Service Lab' review of cases;
- Revised Targeted Prevention ('Edge of Care') service
- Improved management of the Fostering Service, but no change in rates
- Regional Adoption Agency functioning effectively and widening the number of possible adopters.

This gives a summary trajectory as below, which sees steady projected spend for the first two years, at £47m before falling to £41m by the end of year 5 – still £0.5m above the budgeted spend for 2020/21.

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Pressure	£ 6,893	£ 6,189	£ 3,165	£ 849	£ 513
Total Projected Spend	£ 47,393	£ 46,689	£ 43,665	£ 41,349	£ 41,013
				<i>all figures in '000s</i>	

Of course, one can amend the assumptions to be more or less optimistic, the assumptions used are of 50% effectiveness in the key activities. The modelling suggests that the two most important planned initiatives are the Edge of Care Service and the repeated identification and targeted work to achieve exit from care (Dartington). This is because of the reach of the two activities and because they address cost drivers at source (entry into care and exit from care).

The biggest driver for savings is from stemming entry into residential provision through better work preventing entry into care (the revised 'edge of care' offer). If entry into residential provision can be more effectively limited, then the age profile of those currently within the provision will lead to a natural decline in the total number (as has been modelled repeatedly in the past by colleagues in Finance). A further issue worth considering further here is that 10 young people currently in residential provision entered care in the past 12 months. So there is more of a connection between entry into care and residential numbers than one might initially assume. This means that it is crucial to both avoid entry and to have effective alternatives to residential provision for older children who do enter care, which is one of the reasons why the additional investment in the council's fostering service and a change in the relationship with external, private-sector fostering agencies is potentially so important.

The financial modelling only considers the projected spend on children in foster care and residential provision. It does not consider spend on children in care in other types of provision, which is assumed to remain steady throughout the period, nor does it consider any wider changes on staffing numbers.

It is likely that success in the key activities above will have other impacts, such as lower numbers of children in care, a lower number of children in other placements (not fostering or residential); a lower total number of children open to children's services; and hence a lower number of workers required. Looking at recent trends and the pattern of current placement, it is likely that the next five years will also see more children placed in supported accommodation (often as a step-down from residential provision at 16 years old); more children in adoptive placements (and more expenditure on those placements); but fewer older children in care; and children in care for less time and leaving at a younger age.

The overarching message from the modelling is that, on the basis of the current and planned activity, the likely case scenario is that spend will be contained over the period of time at about £0.5m above the 2020/21 budget, but with very significant overspends projected particularly in years 1 and 2. The overall number of children in care would fall markedly (down to 422 at the end of the period).

Model 3 – Models the impact of currently agreed initiatives, as per model 2, and the cost-benefit impact of additional projects (more detail in Appendix A)

The model builds on model 2, but adds in two further projects designed to affect critical cost drivers at source: numbers in of children in residential care; or foster homes purchased by the local authority from Independent Fostering Agencies. As noted earlier, the council has seen growth of the number of children in residential care over the past 5 years (+50%); and rapid growth in the number in IFA placements over the past year (+60%).

The model:

- Apportions net growth of children in care across ‘foster care’ and ‘other’ placements, based on where children are likely to be placed (mainly foster care), as per model 2 above; but
- Changes the apportionment of this net growth between internal and external fostering to reflect the rebalancing over the next 5 years towards internal fostering and away from external fostering.
- For those currently in external fostering placements, it is assumed that movement out of those homes is most likely to occur at placement breakdown, or because a child leaves through age. We will not generally be seeking to move children from settled placements.
- Analysis of IFA placements between March 2019 and March 2020, shows 20% of those in an IFA placement in March 2019, moved to a different fostering or home environment placement during the following year. The model uses this figure (20%) to define the group where there is the possibility of a movement in any one particular year. The age profile of children in IFA placements is also used as a predictor of likely movement out of these placements.
- The model uses the costs outlined in the Fostering Business Case, regarding the investment required in the service and the rates paid to foster carers; and the cost of the Assessment Centre/Specialist Foster Carer two-year project proposal.
- The model assumes 50% effectiveness in the Assessment Centre/Specialist Foster carer proposal; and assumes that the council is able to recruit and retain foster carers.

This model gives a summary trajectory of spend as below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Pressure	8,173	6,081	(495)	(4,726)	(6,793)
Total Projected Spend	48,673	46,581	40,005	35,774	33,707
				<i>all figures in '000s</i>	

As might be expected, the model shows that the proposals, by addressing critical cost drivers directly, cause projected spend to fall sooner; and, by changing the balance of fostering provision, achieve greater longer-term savings. In short, if successful, they will more than pay for the additional investment required. Moreover, detailed modelling of the Assessment Centre proposal indicates that it only has to be successful with a third of children in the project to be financially self-sustaining. Finally, the overall number of children in care is projected to fall to just over 400 (407).

A Final Note

Delivery of the savings described in the paper is critical to the sustainability of the council and can only be achieved through a cross-council effort. While many aspects of delivery squarely lie with children’s services and social work professionals and managers, experience shows that the degree of change required will need extensive support from other officers with complementary skills, especially colleagues in finance, legal services and the corporate delivery unit. A cross-council project team working cohesively on the major projects listed in the paper and reporting to a senior officer in Children’s Services, will be essential to maintaining momentum and achieving the scale of change required. Given its centrality to the council’s budget planning, there also needs to be regular progress reports to CLT, both overall, but also for the critical individual component projects. This is a significant transformational programme and needs to be managed as such.