



costs for looked after children and is separated from the operational costs of the Children and Families budget to enable accurate monitoring.

- c) That the projects identified above are funded on an 'invest to save' basis over a two year period to decrease the number of children who are looked after per head of population; and to decrease placement costs.
- d) That these projects, alongside those covered by the safeguarding improvement plan, are included in the SBC 'Gold' Projects to enable effective management, monitoring and monthly reporting to members.

### **3. Community Strategy Priorities**

#### **Celebrating diversity, enabling inclusion**

- By identifying and prioritising services for looked after children in the Slough population and targeting services to ensure that this vulnerable group of children and young people have the best possible life chances

#### **Adding years to Life and Life to years**

- Through focussing on meeting the health needs of looked after children and young people

#### **Being Safe, Feeling Safe**

- By providing suitable, cost-effective placements for children and young people in short term care to meet their identified needs before their long term plans are finalised.
- By providing long term 'forever' families for children and young people who cannot return home, offering stability and security during childhood and in moving into independence
- By carrying out our statutory role as a local authority to provide services for children in care as corporate parents
- By ensuring that children and young people who are looked after have the standards of care and life opportunities that we would want for our own children
- By working effectively with partner agencies so that they also contribute to improved outcomes for looked after children and young people

#### **Prosperity for All**

- By promoting educational achievement which gives children and young people in care and leaving care enjoyment in learning and increased opportunities for success in adult life

### **4. Other Implications**

#### **4.1 Financial Effects**

The base budget allocation will require budget growth funding of £645k from 1<sup>st</sup> April 2012, this will be incorporated within the budget planning process currently underway.

4.2 The one off allocation can be funded in year utilising the £500k windfall funds secured in year arising as a result of prior years over provision of funding for concessionary travel, topped up by £326k of the contingency provision with the current years revenue budget.

**Historical information**

4.1.1 Table 1 below provides an overview of the increase in the number of looked after children, the financial effects on the LAC budget and compensatory savings made within the directorate (sources of the various compensatory savings are detailed at Appendix 1). The Directorate outturn figures indicate at first glance the mechanism for containing the rises in costs was appropriate and largely successful. The 21% increase in the number of LAC since January 2005 did not impact materially at a financial level until financial year 2009/2010, primarily because the funding levels were increased in financial year 2006/2007 when the baseline was moved to fund associated costs of 147 children looked after. The relatively small pressures between 2007 and 2010 were largely due to increased costs of care and longer time spent in care rather than the increase in numbers of children looked after at that time.

4.1.2 The jump in numbers of children looked after between Jan 09 and Jan 10 is consistent with the national picture in the wake of the Baby P case which attracted media interest in November 2008. The subsequent increase in child protection issues accounts for the time lag to the inevitable associated increase in numbers of looked after children and changed landscape of safeguarding across the country.

**Table 1**

	<b>06/07 Budget Baseline</b>	<b>07/08</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>	<b>11/12 August</b>
Number of Looked After Children	147	116	133	151	169	187
Annual Increase in cost from baseline budget		176	202	500	172	889
Cumulative effect		176	378	878	1050	1939
Compensatory savings (Appendix 1)		-597	<b>404</b>	-653	-783	-889
Directorate Outturn		-421	506*	-153	-611	0**

\* including non operational items

\*\* Including £600k contingency

4.1.3 A rise in the number of looked after children impacts on other areas in addition to the placement budgets outlined in this paper. For example, the increase in child protection and looked after children created additional financial pressures which have been met from within the service. This includes:

- Family group conferences
- Contact
- Social work time

- Independent Reviewing Officer time
- Court fees (recently increased nationally)
- Legal costs

4.1.4 The details of these costs are not included in this paper, but are available.

4.1.5 The legacy of the increase in looked after children is not simply a result of increased numbers and associated costs. Changes in the courts system have resulted in major delays in cases coming to court, delaying decisions about children's future placements. Government have instigated a national enquiry into this. There is also evidence of increasingly complex cases, and larger numbers of younger children coming into care as a result of parental substance abuse and domestic abuse, with a consequent rise in long-term care costs. Since 2009, the natural focus of the service (consistent with trends nationally) has been in relation to safeguarding and gate-keeping around the numbers of children coming into the care system. The Council's recent OFSTED safeguarding report focuses even more attention on sharpening professional practices in this area. The additional resource requirement of the improvement plan has been separately financed by the council and as such does not impact onerously on the ongoing revenue requirements. However it does continue to concentrate the capacity of the service at the point of entry to care. This leaves limited resources and capacity to address other key aspects of the process; including preventative work to address the issues that contribute to children being at risk in the first place, such as alcohol and drug abuse, and the movement of those children in our care into more suitable long term care solutions such as adoption or special guardianship.

4.1.6 Analyses of the areas of compensatory savings (appendix 1) indicate the short term opportunistic nature of the approach used to identify appropriate areas for cross funding the rising costs on LAC. Some component parts of budget utilised in previous years continue to be available and continue to enable the service to meet its day to day budget needs via the agreed cash envelope, (incorporating the one off £600k allocation for 11/12). Other elements are no longer available due to either the one off nature of these grants, or the funding source being withdrawn as part of the government spending cuts. The impact on the children already in our care, of the skewed focusing of resources and capacity in LAC costs and safeguarding issues is a matter that needs to be addressed outside of the standard revenue allocation.

4.1.7 The details above illustrate the financial impact of the increase in the number of looked after children (those entering care) since 2010 when the numbers exceeded the increased budget for LAC placements agreed 2006-7. No formal budget growth for LAC placements has been agreed as over the years the service has made compensatory savings across other areas to accommodate the growth in demand. With the exception of £232k one off amounts the current year's offsetting savings are sustainable provided the LAC numbers remain at their present level. It is proposed that a growth bid to allocate the one off £600k current years funding on a permanent basis is incorporated into the 12/13 budget process.

## 4.2 Human Rights Act and Other Legal Implications

These proposals enable elected members to fulfil their responsibilities as Corporate Parents under the Children Act 1989, and succeeding legislation and guidance.

## 4.3 Workforce

The workforce implications of the projects outlined would be to recruit up to 8.5fte staff with specialist skills on short term contracts to carry out the work outlined in Appendix 2. All other work would be carried out through existing staff.

## 5. Supporting Information

- 5.1 It is clear that the rise in costs of children looked after is a matter that must be addressed to prevent the impact of the diversion of funds, capacity and focus on wider services to children. It is therefore proposed to allocate a further £826k to fund a range of invest to save projects focussing on the two primary areas described below. Summary costs and benefits are illustrated in table 2 below and further insight into the projects themselves is available at appendix 2. The service will be required to secure a minimum return on the investment to offset the value of the one off compensatory savings currently being used to support the ongoing revenue budget by the 31<sup>st</sup> March 2013 (£232k)

**Table 2**

	<b>Investment 2011-13 £'000</b>	<b>Estimated Full future years annual return on investment £'000</b>
Capacity to deliver projects	261	0
Projects	565	586
Total	826	586

£232k minimum ROI by 31/03/2013

## 5.2 Action to secure appropriate long term alternative to care solutions in the best interest of the children currently looked after

- 5.2.1 Section 2 of Appendix 2 gives details of the projects to secure long term alternatives to care. These include:
- Increasing the recruitment of adopters
  - Setting up a special recruitment project for children over 5
  - Funding to purchase adoptive placements for children from the voluntary sector and other local authorities
  - Converting fostering placements to residence, Special Guardianship or Adoption Orders

- 5.2.2 Adoption is one example where capacity would assist in effective financial planning. We currently have 26 children in our care awaiting adoptive families. Adoption is a solution identified for children who are not able to live with their birth families, and the primary benefit of adoption is the well-being of the child in a particular setting. The cost of sourcing and delivering a suitable adoption solution from the voluntary sector is £27k per placement. Currently, the revenue budget assumes and makes provision for the cost of 1 such adoption placement in the financial year 2011/2012. This allocation has already been used in August 2011. This leaves 26 children in our care where adoption has been identified as the most appropriate long term solution and no current adoptive families are available.
- 5.2.3 The core funded Family Placement Service is currently up to capacity doing assessments of 13 prospective adoptive families. It is unusual for every assessment undertaken to result in an adoptive placement so it is unlikely that as many as 13 children would be placed for adoption as a result of this activity. 10 placements might be a practical but not guaranteed number to use as a basis from which to plan.
- 5.2.4 If we have plans to address the needs of 10 children from the cohort of 26, then further activity needs to be additionally funded in order to identify the capacity to secure 16 more adoptive placements. It is likely that the total sum required falls in the region of £0.4m for the adoption deficit to be realistically addressed.
- 5.2.5 The average weekly cost of placement for a child in independent foster care is £736 pw (£38,272 per year per child). The average comparative ongoing cost for successful adoption is £94.99 per week (£4,940 per year) although these figures may vary as adoption allowances are means tested and based on the needs of the child.

NB. Increasing the number of children who are subject of residence orders, special guardianship or adoptions with a person connected to them is cost neutral.

### **5.3 Strategy to stabilise costs**

- 5.3.1 Re-basing the revenue budget to provide for stable funding for the current number of looked after children will ( subject to stability in numbers entering the care system) secure a sustainable position for future years. However, the legacy of the past has resulted in a backlog of need within the system that needs additional investment if we are to secure the outcomes for the children. The funding requested within this report provide sufficient investment to address both issue.
- 5.3.2 These include:
- Amalgamate the commissioning and sourcing of all external placements by appointing 2 staff to work with the Commissioning Manager and the Family Placement Service to source best value, best match placements
  - Build on the successful negotiations with external agencies which have brought down the average cost of an Independent Fostering Agency

(IFA) down from £751 a week in September 2010 to £736 per week in September 2011 and pursue the South-East local authorities tendering commissioning framework for IFA providers (Improvement and Efficiency South East Project).

- Increasing the number of in house foster placements, through increasing the capacity of the team
- Improve pathway planning and support for young people at 15+ so that they can move to more independent accommodation in supported lodgings
- Improve the supply and quality monitoring of supported lodgings and semi-independent options

5.4 A range of other measures to stabilise costs and reduce demand in the longer term include:

- Increasing the effectiveness of multi-agency interventions in early intervention and prevention services and for children with child protection plans
- Reviewing the Looked After Children Panel to scrutinise planning and alternative solutions for children on the edge of care
- Reviewing the Purchased Placements Panel to oversee practice, quality and value for money in all placements
- Improving long-term planning for the population of Looked After Children, and updating the Sufficiency Strategy
- Decreasing the number and average duration of stay at each stage of care planning through reviewing the use of S20 to use it only in genuine cases of temporary and voluntary need
- Increasing the number of children returning home to parents

5.5 Details of the proposed costs and delivery times for these projects are captured in Appendix 2.

5.6 The project will be included in the Slough Borough Council 'Gold Projects' with monthly monitoring of progress reported to Corporate Management Team and Members.

## **6. Comments of Other Committees**

None

## **7. Conclusion**

The proposals in this paper are to resolve the residual effects of the rise in looked after children over recent years through a strategic approach to improving medium and long term outcomes for children and young people who are looked after. The projects which are outlined would be put in place to be completed by March 2013.

8. **Appendices Attached**

'1' Financial impacts of the rise in Looked After Children and  
Compensatory Measures

'2' Project Activities

8. **Background Papers**

None



## APPENDIX 1

### Financial impacts of the rise in Looked After Children and Compensatory Measures

Year	Placement budget 000	Placement budget outturn 000	Highest number of LAC	Overspends and compensatory measures
2006-7	4,630	4,540	144	Underspend of 89k on placement budgets
2007-8	3,918	4,094	135	Budget reduced by 712k from 2006-7 <b>Overspend of 104k on placement budgets</b> Compensatory measures from within Children and Families <ul style="list-style-type: none"><li>• Temporary reduction in front line social work services</li></ul>
2008-9	4,206	4,584	136	<b>Overspend of 378k on placement budgets</b> Compensatory measures: Reductions in: <ul style="list-style-type: none"><li>• Raising Achievement</li><li>• Inclusion</li></ul>
2009-10	4,202	5,080	173	<b>Overspend of 878k</b> Compensatory measures: Reductions in: <ul style="list-style-type: none"><li>• Raising Achievement</li><li>• Inclusion</li><li>• Youth Services</li></ul>
2010-11	4,475	5,525	178	<b>Overspend of 1.2m</b> Compensatory measures: Reductions in: <ul style="list-style-type: none"><li>• Raising Achievement</li><li>• Inclusion</li><li>• Youth Services</li><li>• Sure Start</li></ul>
2011-12	3,987	5,926	178	<b>Projected overspend based on LAC as at end of August 2011 £1,939m</b> Compensatory measures: <ul style="list-style-type: none"><li>• Corporate contingency</li><li>• Early Intervention Grant</li><li>• One-off grants</li><li>• Staffing contingency</li><li>• Other opportunities</li></ul>

**Project Activities**

**1. Project Overview**

This paper outlines the detail of projects described in the paper being presented to Cabinet and concentrates on offering a range of options for permanent solutions for children who will never be able to return to their own families; and increasing the supply and choice of placements for children in short and long term care, together with safe exit routes from care for teenagers. Children and young people tell us how important it is for them to have the emotional security of knowing that they have a long term future in a 'forever' family where they fully belong and can develop into independent adults. This is backed up by evidence showing that children who have experienced poor parental care resulting in them becoming looked after, and instability in care placements, have poorer prospects in education, employment and of being successful parents, and also form a disproportionate section of the prison population.

The number of looked after children in Slough has risen significantly since late 2008, in line with national trends. Slough's number of looked after children is still below the England average, and in line with statistical neighbours. As Members will know, the Council is the corporate parent for all looked after children and therefore we have a responsibility for their welfare and must ensure they have the same opportunities as other children in Slough.

Analysis of the trends in the rise in the numbers of looked after children shows the steepest rise in children aged 0 to 5 years of age coming into care from households where the levels of substance abuse or domestic abuse have resulted in significant concern for the children's short and long term safety. This resulted in legal advice being sought which determined admission into care was necessary.

Slough's population of children in care consists of children already in long term placements, children who need long term placements, and children who are waiting for legal decisions about their future and may return home, go to live with family or friends, or need future long term placements.

The proposals outlined below are designed to secure the long-term future of children who remain living away from their birth families, and at the same time reduce the overall costs of the current population of children who are looked after. The costs detailed in the paper are from October 2011 to March 2013.

While children remain looked after, Slough Borough Council provides services which include social work time, independent reviewing officer time, statutory visits and reviews, health assessments, personal education plans,

and contact arrangements. When they are adopted or subject of a Special Guardianship Order, most of these responsibilities cease.

## **2. Reducing the number of children who are looked after per head of child population.**

Slough's aim, based on best practice, is to place all children under 10 who cannot remain with their birth families for adoption or with Special Guardians where this is appropriate for the child's needs. This would mean increasing the number of children who leave care through being made the subject of a Residence Order, Special Guardianship Order or through Adoption Orders.

Active family finding for Slough's looked after children commences from the child's second statutory review when parallel planning for permanent alternative families is required alongside the assessments of the suitability of the child's family to have them back home. This is to reduce delay for the child and the accompanying anxiety about their future.

### **Project activities include:**

#### **a. Increasing the active recruitment of adopters**

This includes using all the traditional routes to recruit, assess and approve potential adopters recruited by Slough Borough Council and will be carried out through the Family Placement Service within existing resources. This tends to attract potential adopters for younger children and work is already under way to assess a group of new potential adopters. The Family Placement recruitment work has increased in 2011-12, as new workers joined the team to fill vacant posts. This project would be at no additional cost.

#### **b. Special Recruitment Project for children 5 years of age and above**

Recruitment of adopters for children over 5 is more complex because of their history, and potential adopter's expectations. This project is designed to recruit, prepare and assess both prospective adopters and prospective special guardians for children 5 years and over and sibling groups, where the adults want to parent the children permanently.

The proposed campaign will target couples and single people:

1. Parents who already have children who have reached or are nearing independence and they enjoy being parents.
2. People who have focussed on other aspects of their life like their career and lifestyle and have perhaps missed out on having children along the way but now feel that they would like to parent older children.

By having such a targeted campaign this could attract an untapped resource of potential adopters and Special Guardians who may otherwise be deterred from applying because of their understanding of the traditional stereotypes of an adoptive family.

**c. Project funding to purchase adoptive placements from both the voluntary sector and other Local Authorities**

Local Authority cuts across the country over recent years have resulted in the reduction of Local Authority Adoption and Fostering services. This has contributed to an overall fall in the supply of approved prospective adopters and families available for long term fostering. The purchase of already approved adopters would speed up the placement of children once the decision has been made that they should be in a permanent family.

**d. Converting existing Fostering placements to Residence, Special Guardianship or Adoption Orders**

Where children are already living with a foster family, family members, or friends, who can meet the children's needs until they are 18, these carers may choose to make a permanent commitment to be the parents of the children through a residence order, Special Guardianship Order or adoption. This work can be carried out within existing SBC resources. This project would be at no additional cost.

**Target group for projects 2a-d above: estimate 33 children and young people**

**3. Ensure sufficiency of placement supply and reduction of the individual and collective placement costs for Looked After Children**

Project activity related to this strand is aimed at reducing the cost per head of placements by improving effective commissioning arrangements. This would reduce external unit costs (care packages); provide better placement choice and best value by commissioning more widely to provide sufficient placements based on the assessed needs of Slough's children and young people. It will bring down cost, for example through recruiting more in house foster carers and reducing the use of Independent Fostering Agencies.

**a. Placement Commissioning Project**

Two workers, appointed until the end of March 2013 will carry out commissioning and search activities for all external placements. They will work with the Contracts Manager and Family Placement Service to source best value and best match external placements and negotiate contracts which reduce unit costs. They will fulfill the Council's obligations to carry out a sufficiency statement and use the identified needs of the current Children Looked After population in Slough and ongoing oversight of the care planning for children to drive the systematic commissioning of high quality good value placements for children.

**b. The Southern Authorities Independent Fostering Agencies Commissioning Framework will help with supply and help control costs of external foster placements**

This tendering project is already underway in partnership with the Southern Authorities. The Placement Commissioning Manager is already the Slough link for this project. It will increase the range of Independent Fostering Agencies available for use by Slough Borough Council and will

keep costs down by using competition between fostering agencies for the tender and resultant business.

**c. The In-house Fostering Recruitment Project will provide additional capacity to recruit, assess and support new local foster carers**

The supply of Slough in house foster carers is insufficient to meet the increased level of demand in Slough, resulting in increased reliance on independent foster carers as the number of looked after children has increased. Even before the national rise in the number of looked after children, all local authorities were dependent on Independent Fostering Agencies to increase the supply of placements. In the last three years there has been an increase in the use of IFA's, as Local Authority recruitment and assessment activity has been unable to keep up with the increased demand ; and because many prospective foster carers (and some existing ones) choose to work for IFA's instead of the local authority.

Between 2007 and 2010, recruitment had resulted in new carers coming forward for assessment, but the total number of foster carers remained largely the same as recruitment of new carers was balanced by those who left due to family circumstances. There was a successful spend to save initiative on this in 2010 resulting in 13 new foster carers by July 2011. This was mitigated by the loss of 5 carers for various reasons, resulting in a net gain of 8 carers. This demonstrates how crucial it is to keep on investing in placement supply in order to prevent escalating placement costs.

As well as costing less to fund, in house carers attend training courses and are very well supported by the Family Placement Service, resulting in greater monitoring and quality control and an ability to match the needs of a child more accurately with carers. Increasing in house foster carers is one of the actions required in the Ofsted inspection.

**d. The Supported Lodgings Recruitment Project will provide the capacity to recruit, assess and support new supported lodgings placements.**

Supported lodgings is a broad term which can be used to describe a range of hostel type accommodation with support, but is mainly used to describe when a family who has a spare room to allow a 16-21 year old looked after young person or care leaver to live in their home while they support them in learning to be independent.

Slough has no in house supported lodgings carers. Increasing in house supported lodgings carers is one of the actions required in the Ofsted inspection. It is viewed as a good alternative to foster care for some young people who are not ready to live independently but would like to be treated as a young adult while they attend 6<sup>th</sup> form, college or further education.

From a financial point of view supported lodgings carers are lower cost than foster carers and semi independent hostels with support but they

provide the young person with a good level of support, helping them achieve in their education, work and transition to independence.

**e. Additional funding required for the Family Placements Team to deliver the projects**

The additional capacity for marketing and recruitment activity to attract, assess and approve new carers, and deliver the projects (staff and recruitment activity).

**Target group for projects 3a-e above: estimate 24 children and young people during project timetable with continuing impact on placement costs and supply beyond March 2013.**

**Total cost of projects in 2 and 3 £826k to March 2013**

#### **4. Conclusion**

The projects described above are based on fulfilling the council's responsibilities to Slough's population of looked after children through finding permanent placements for children who will never be able to return to their own families, and increasing the supply and choice of placements for children in short and long term care, and, at the same time reducing the overall costs of the current population of children who are looked after. The proposals outlined are based on a total project cost of £826,000