

**ITEM No ...6.....**

**REPORT TO: CHILDREN AND FAMILIES SERVICES COMMITTEE –  
26 JUNE 2017**

**REPORT ON: RESIDENTIAL AND CONTINUING CARE BUDGETARY  
PRESSURES**

**REPORT BY: EXECUTIVE DIRECTOR OF CHILDREN AND FAMILIES SERVICE**

**REPORT NO: 230-2017**

**1.0 PURPOSE OF REPORT**

1.1 This report provides information on resourcing for Looked After and Accommodated Children including the provision of the new Continuing Care legislation. It outlines the factors which have contributed towards an over spend in 2016/17 and details the actions being taken to reduce the spend in 2017/18 and beyond while ensuring that the needs of vulnerable children and young people along with the new continuing care legislative responsibilities continue to be met.

**2.0 RECOMMENDATIONS**

2.1 The Committee are asked to:

- i. note the position and the proposed actions being taken to address the issues highlighted in this report; and
- ii. Instruct the Executive Director of Children and Families Service to provide, in addition to regular reports through the ongoing revenue monitoring to Policy and Resources Committee, an additional report to Children and Families Services Committee in October 2017 with an update on progress being made.

**3.0 FINANCIAL IMPLICATIONS**

3.1 In financial year 2016/17 there was an overspend of £5.5m in the Children and Families Service overall budget. This overspend was greater than anticipated mainly due to a higher number of young people being placed in external residential placements and increased kinship care costs.

3.2 Over the last 3 financial years £2.7m has been added to the Children and Families Service budget to support these areas. £1.2m has been provided by Scottish Government to support the implementation of the Children and Young People (Scotland) Act 2014 and kinship care parity. A further £1.5m has been added to the children's care services budget to assist offset these budget pressures (Article I, Committee Report No 58-2017, Policy and Resources Committee of 23 February 2017 refers). This £1.5m funding will be used to support the increasing demands of the continuing care legislation.

- 3.3 In addition to this it is further anticipated that the actions contained in this report will significantly reduce cost pressures in 2017/18 although it should be noted that this is a demand led service.

#### 4.0 MAIN TEXT

##### Introduction

- 4.1 The Tayside Plan for Children, Young People and Families 2017-2020 (Committee Report No 231-2017 refers) outlines five agreed partnership priorities. One of these priorities relates to a commitment to ensuring that children and young people who are disadvantaged and experience particular inequalities achieve health, wellbeing and educational outcomes comparable with all other children and young people. This includes Looked After Children, who typically have high levels of need involving trauma, loss and/or physical, mental or sensory disability. The Plan notes a local strategy has been developed. This strategy includes a focus on providing safe, secure, stable and nurturing homes, improving educational outcomes and increasing positive destinations after leaving school.
- 4.2 Children and young people become Looked After for a variety of reasons, including them being at risk of physical, sexual, emotional abuse and/or neglect, bereavement, risk taking behaviour and the absence of extended family in a position to provide alternative care. Children can be Looked After at home, with family members, in Children's Houses, internal and external fostering placements or external residential placements with specialist onsite or local school based education.
- 4.3 Once in care, every effort is made to keep placement changes to a minimum in order to promote stability and attachments. However, children can require different placements, including different schools, because their needs might change over time and/or the capacity of carers to meet their needs might reduce. In addition to the flow of new admissions into care, these ongoing and often unpredictable changes relating to children already in care require a constant availability of different types of placement on both a planned and emergency basis. There is therefore a mixed range of support to meet different and often fluctuating levels of need.
- 4.4 **Changing Trends and Different Factors Impacting on Resources and Costs**
- These type of services are demand led and the rate and scale of new admissions is very difficult to predict but the city consistently has one of the highest Looked After populations in Scotland. Currently, 2.2% of children and young people aged 0-17 years in Dundee are Looked After, compared with the Scottish average of 1.5%. Efforts are made to minimise emergency admissions to care however recently we have experienced examples of large sibling groups being admitted to care following, for example, parental bereavement and admissions following significant issues of substance misuse within families. Numbers of Looked After Children are however reducing.
- 4.5 Placement breakdowns requiring placement in a more expensive facility are also more likely to occur in respect of teenagers, where earlier trauma can manifest itself in acute behavioural problems which prove difficult to manage. Presently, over 40% of Looked After Children and Young People in Dundee are aged between 12 and 17 years and there is often an inherent degree of volatility in these placements. Nationally, there is a shortage of foster carers for teenagers.

4.6 In addition the requirements of the Children and Young People (Scotland) Act 2014, has placed additional duties on the Council in two areas in particular and this has impacted on capacity, increased overall costs and affected the ability of the service to operate within budget.

#### 4.7 **Continuing Care – New Legislative Requirements**

As a result of Part 11 of the Children and Young People (Scotland) Act 2014, which extended support to Looked After Children by enabling them to stay in placement until they are 21 years old as part of Continuing Care, young people are now staying in placements for longer periods. Previously, children would leave care on or around their 16<sup>th</sup> birthday but currently, 11 (50%) of young people in our Children's Houses, 17 (11%) in internal foster care, 14 (14%) in external foster care and 9 (21%) in external residential placements are aged 16 years or over. This represents a current total of 51 young people, many of whom have been stable in their placement for over 3 years which is positive.

4.8 This has however impacted on our resources as, there is not the same level of turnover to accommodate new admissions within Dundee, in the 4 Children's Houses. An analysis of admissions to our Houses shows that, over the last 2 years, we admitted 13 fewer children a year than we did in the previous 2 year period whilst operating at the same high occupancy levels. These 13 children were placed in external residential facilities. In 2016/17, there was on average 40 young people placed in external residential facilities which resulted in an overspend of £4.8m. Currently there are 39 young people in external residential placements.

4.9 It is projected that in each of the next 4 years around an additional 50 young people each year will be eligible to request Continuing Care from their 16<sup>th</sup> to their 21<sup>st</sup> birthday. While it is impossible to predict how many will choose to remain in care on a yearly basis, it appears likely that they will continue to absorb available capacity, limit the flow of new admissions and thus place further demands on alternative, more expensive placements

#### 4.10 **Kinship Care Payments – New Legislative Requirements**

In addition to the requirements of Continuing Care, in 2015 agreement was also reached nationally that there would be parity of financial support between kinship and foster carers. This, along with a rise in the number of kinship carers has resulted in an increase in actual spend relating to kinship payments of £1.3m in 2016/17.

#### 4.11 **Actions Taken to Date to Reduce Expenditure in 2017/18 and Provide Long Term Solutions to the new Legislative Continuing Care Requirements**

The Tayside Plan includes a commitment to working with the Third Sector to develop a commissioning strategy which targets resources towards agreed priorities and promotes improved outcomes. This will involve an approach which re-balances services towards prevention, targets specific needs such as those of children and young people who are at risk and develops locality based services which support families as a whole. The intention is to reduce reactive and costly interventions, including those for Looked After Children. Locally, this will be complemented by an Edges of Care programme to be piloted with the Centre of Excellence for Looked After Children in Scotland (CELCIS). This programme similarly aims to improve the identification and support of children who are at risk of entering the care system. We are also presently working with Action for Children to provide suitable accommodation alongside bespoke packages of support as alternatives to external placements for those who are already Looked After.

- 4.12 A range of governance and scrutiny measures are also already in place in respect of children and young people who are already Looked After, including all external placement decisions made being approved by the Head of Service and subsequently reviewed by a scrutiny group; the suitability of their ongoing care monitored by Independent Reviewing Officers; the Chief Social Work Officer approves and reviews decisions relating to the legality and ethics of placing children and young people in secure care; and all secure care decisions subsequently reviewed by a Children's Hearing. Equal financial parity for kinship and foster carers is also intended to attract and retain more kinship carers. We continue to work with neighbouring authorities on the recruitment of foster carers.
- 4.13 The service reviews all external residential placements on an ongoing basis, with a view to bringing children back to Dundee provided their needs can be met locally. These efforts will continue but are obviously constrained by the needs of children and young people. Many decisions on the accommodation arrangements will ultimately be made by Children's Hearings. As shown in Appendix 1, a range of other short, medium and longer term options are proposed to reduce costs for session 2017/18 and provide more flexible approaches to continuing care over the next 4 years and beyond.
- 4.14 Work is ongoing to enhance the capacity of our own residential houses through the use of satellite flats linked to each of the houses. This will enable young people to continue to move towards independence with the on-going support from residential staff offering a graduated approach to continuing care.
- 4.15 The arrangements for continuing care will be discussed as part of our ongoing work with the Look After Children Champions Board to ensure the young people who use the service are able to fully participate and inform any ongoing changes and decisions.
- 4.16 **Ensuring that the Well Being of Children and Young People is Promoted**

As a result of their experiences, Looked After Children have been less likely than others to achieve positive outcomes. However, where support is provided in accordance with some key principles, they can also develop and grow into confident and capable adults. Recent examples of this include some Looked After Children obtaining better than average educational qualifications, entering university and securing stable and rewarding jobs. In order to build on and extend this to others, it is important to ensure that any measures put in place to reduce cost pressures and provide greater flexibility acknowledge the importance of promoting consistency and continuity of care. Measures must consider issues relating, for instance, to whether sibling groups should remain together or be split up and ultimately ensuring that the outcomes for the young person remain central to decision making and that the following key principles operate throughout the decision making:

- Wherever possible children should be supported to live with their families and remain in their communities.
- If it is not possible for children to remain with their parents consideration should always be given to kinship options.
- If children cannot remain with their birth family or extended family an alternative family placement should be considered, ideally with internal carers.

- Siblings should be placed together unless there are good reasons as to why this should not happen.
- Where a residential placement is considered the best option this should be viewed as a positive option with the option of returning to family considered at all stages.
- Children should remain relatively near to their communities so they are close to their families and friends and can continue at school unless there are good reasons why this should not happen.
- Children should only remain in care for as long as is necessary and, where appropriate, permanency should be achieved as soon as possible.
- Children leaving care should be supported towards independence and be provided with accommodation suitable to their needs.
- The views of children and young people should always be taken into account.

## **5.0 POLICY IMPLICATIONS**

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

5.2 There are no major issues.

## **6.0 CONSULTATION**

6.1 The Council Management Team have been consulted in preparation of this report.

## **7.0 BACKGROUND**

7.1 None.

Paul Clancy  
Executive Director of Children and Families Service

June 2017



## APPENDIX 1

	<b>Action</b>	<b>Task</b>	<b>Timescales</b>
1	<b>Improve support to kinship carers</b>	Create dedicated resource to support kinship carers	Completed
		Achieve Parity with payment with foster carers using income maximisation approach	End of Summer 2017
2	<b>Improve capacity of internal foster carers</b>	Intensify work on recruitment alongside neighbouring authorities	Ongoing
		Explore options around a more strategic, collaborative approach to commissioning with neighbouring authorities	Ongoing
		Explore alternative models of service provision including social enterprise approach	Ongoing
3	<b>Improve approaches to Permanency planning</b>	Develop structured mentoring scheme for team permanency work Joint training with SCRA to be progressed Interface between New Beginnings and Permanence Team to be strengthened.	End of Winter 2017
4	<b>Improve capacity of children's houses to meet changing demands</b>	Create additional capacity by securing satellite flats linked to each of our children's houses	End of Autumn 2017
		Seek approval and begin preparing for construction of an additional children's house and agree refurbishment timescales for existing houses	Summer 2017 onwards
5	<b>Improve co-ordination of services to care leavers</b>	Increase supported accommodation for care leavers in partnership with Action for Children and create capacity for 10 additional places	To be in place for Summer 2017
		Review model of Through Care and After Care	Ongoing
6.	<b>Improve Information</b>	Undertake benchmarking in relation to models and costs of looked after children	End of Winter 2017
		Formalise centralised systems for reviewing children in external placements.	End of Summer 2017
		Finalise Staffing Budget and payments to third sector providers including governance and escalation arrangements.	Completed

