

## Children’s Social Care, Targeted and Early Intervention – Financial Position

### Financial Position 2009/10 – 2015/16

The Table below shows the Children’s Social Care, Targeted and Early Intervention financial position (net budget and outturn) between 2009/10 and forecast position for 2015/16, based on quarter 2.

**Table 1 – Net Budget and Outturn Comparison 2009/10 to Forecast 2015/16**

	People Budget *	People Outturn *	People Variance *	CSCTEI Budget	CSCTEI Outturn	CSCTEI Variance
	£m	£m	£m	£m	£m	£m
2009/10	174.4	175.4	1.0	47.1	49.0	1.9
2010/11	182.8	184.4	1.6	48.8	53.8	5.0
2011/12	166.3	165.1	(1.2)	46.7	49.0	2.3
2012/13	159.4	157.9	(1.5)	45.7	45.6	-0.1
2013/14	162.0	164.9	2.9	50.6	54.3	3.7
2014/15	155.0	161.4	6.4	56.0	59.8	3.8
2015/16 **	165.2	172.9	7.7	67.3	67.7	0.4

\* Up until 2012/13 People Budget and Outturn shown reflects Children Learning & Young People plus Community Services

\*\* 2015/16 Outturn and Variance are Forecast based on Quarter 2, other years are Actual

There has been significant grant change within Children’s Services, and as a result the net budget can be misleading. The following grant changes are important in tracking some of the changes in the budget:

- 10/11 to 11/12 – 3 and 4 year old budget transferred to the Dedicated Schools Grant
- 12/13 to 13/14 – The Early Intervention Grant became part of the Revenue Support Grant, and therefore showed as net budget

Amongst other budget changes, the 15/16 budget includes £10M of additional budget and £2M reserves, largely funding additional children’s social care staffing and children’s placements costs. The £10M of additional budget is ongoing, although the pre-budget report proposes reducing this to £9M in 16/17 and £8M in 17/18, with £2M of reserves available in 16/17. Although this additional resource has been allocated on an ongoing basis it is in the context of a council-wide medium term financial strategy financial gap, and delivery of savings as detailed below.

In 2015/16 the additional budget is being used to support:

- Activity pressures – additional staffing costs within Referral & Assessment Service, Neighbourhood Services, Independent Reviewing Officer and Child Protection Conference Chairs service, and Legal Services to deal with an increased number of cases
- Workforce – additional resource to recognise the high level of agency workers and additional cost as a result of difficulties in recruiting experienced social workers
- Placement cost pressure for Looked After Children
- Permanence Allowances cost pressure
- Increasing fostering fees for internal foster carers (introduction of a skills fee per child)
- Replacing fall out in Adoption grant (was previously early intervention grant)

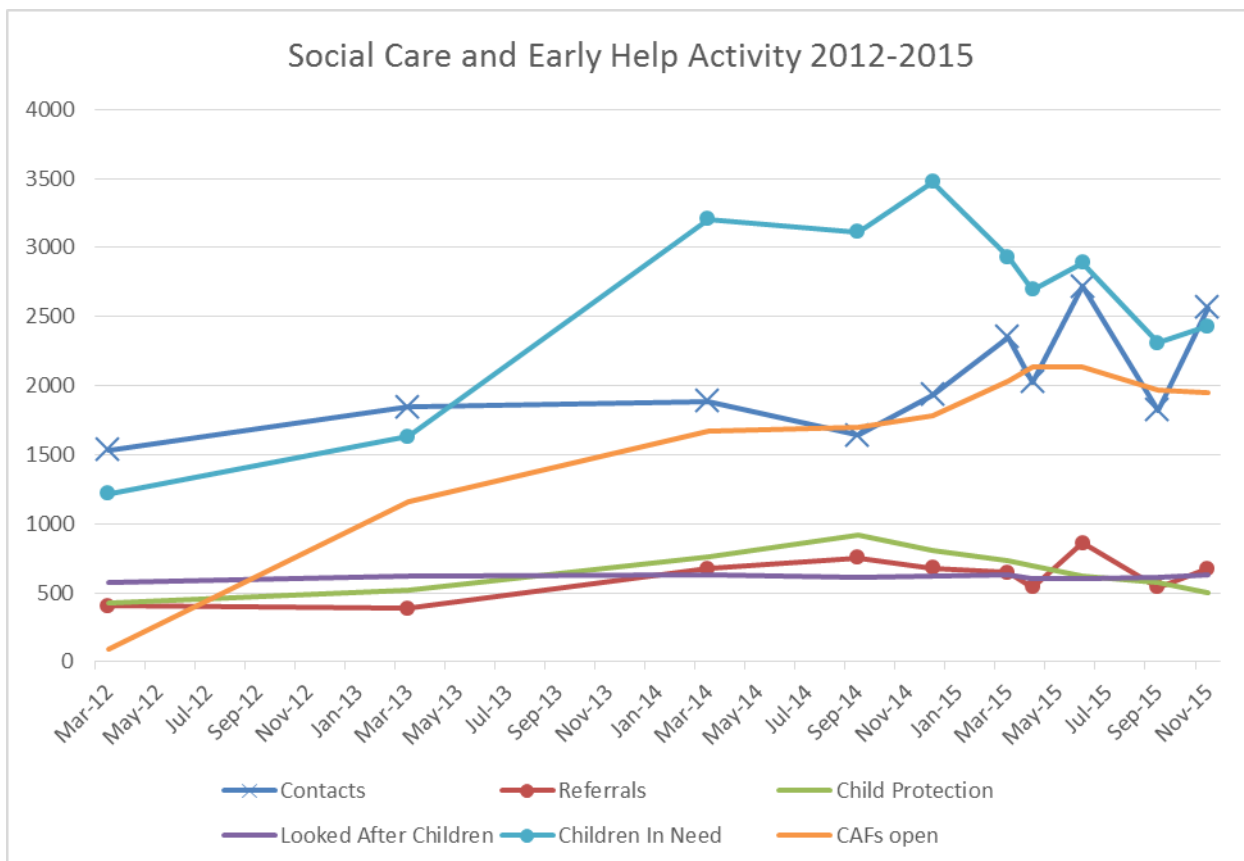
The 2015/16 budget for Targeted and Early Intervention (this includes Early Years, Childrens Centres, Children & Family First, and Integrated Youth Service) amounts to £7.7M.

### **Performance and links to Finance**

There are a number of key indicators that drive financial performance. These include the numbers of cases - Children in need (CIN), Children subject to a child protection plan (CP) and looked after children (LAC) - which drive required staffing levels. In addition numbers of LAC impact on placement costs.

The graph below shows social care activity between March 2012 and November 2015. This shows the general increase in activity from March 2013 to a peak in activity in autumn 2014. Since then the numbers of CIN and CP have reduced and when comparing our current levels with statistical neighbours (March 2015) we are no longer an outlier. Our LAC numbers have remained broadly consistent, and are also in line with statistical neighbours. We have not seen the high levels of CP cases converting into additional LAC cases.

Since March 2012, we have seen a steady increase in the number of CAFs open. Approximately 25% of CAFs are held by partner agencies. The Early Help and Prevention service is exploring the right impact tool to be used by staff across Coventry Early Help and Social Care services. This will compliment a range of tools already being used. The tool will measure the difference interventions have on improving outcomes for children and young people in the family. The implementation will be staged with Phase 1 being used to test the model across the Early Help and Prevention system and will be implemented by March 2016.



Two other key areas that drive cost are our LAC placement mix and numbers of agency staff. We continue to have a high number of children in residential provision, and our fostering mix is too heavily weighted towards external fostering placements, which are approximately double the cost of internal fostering placements. In the baseline position for the fundamental service review (2009/10) internal fostering made up 60% of our fostering provision. It currently makes up 36% of our fostering provision. This shift is due to the rise in LAC numbers exceeding the recruitment of foster carers, as well as a reduction in the number of internal foster carers and available placements.

High numbers of agency staff continue to be a significant financial pressure for the service. In November 2015, across Children’s Social Care there was 70 agency staff covering social care vacancies. This number has reduced in the year (92 in January 2015), but this continues to drive significant additional cost.

### Financial Strategy Moving forward

The new People Leadership Team, are working on a number of strategies to safely reduce the costs of the service, which are:

- Further reducing the number of social care cases to enable operation within the budgeted establishment. This trajectory is clearly evident and continues to be monitored very closely.
- Implementing a workforce strategy that will enable a permanent workforce to be established. This is likely to include enhanced levels of remuneration for social workers,

to ensure we remain competitive with other west midlands local authorities. Further work is underway to understand the financial impact of this, and how it is resourced.

- Changing the placement mix – there has been continued work on the offer for internal foster carers, including the introduction of a fee per child in April 2015. Recruitment activity, alongside management of vacancies and on-hold placements is also ongoing. We are now beginning to see the impact from this strategy. The number of fostering households has increased, and key to the financial position, children in internal foster care placements has increased from 137 in April 2015 to 151 currently.

Work is also underway on placement sufficiency and vision, with the long term aim of a developing an approach that minimises residential placements, and adapting commissioning arrangements where necessary to achieve this. In the short term we are reviewing all current residential placements with a view to identifying savings.