

**Title of meeting:** Cabinet

**Date of meeting:** 29<sup>th</sup> June 2017

**Subject:** Resilience in Children's Social Care

**Report from** Alison Jeffery, Director of Children, Families and Education

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## 1. Purpose of report

- 1.1 This report reviews our current strategy for ensuring children's social care is both safe and sustainable financially. It makes recommendations for additional investment in social work capacity to manage rising cost pressures around alternative care.

## 2. Recommendations

It is recommended that Cabinet endorse:

- 2.1 An increase in social work capacity, through an investment of £499K, in order to improve our offer to teenagers and their families in particular, working more proactively within the community to effect whole family solutions and avoid external residential care placements. The increase in social work capacity will be created as follows:
- (i) Increase front-line Social workers staffing numbers by eight so that social work caseloads can be brought down to a level (15 children per FTE) that affords proactive, timely and risk sensible intervention. This will enable us to drive the highest possible quality social work support to vulnerable children and families, to avoid the need to take them into our care; and
  - (ii) Increase service leader numbers by three; reducing the size of three teams and providing better management oversight

## 3. Background

3.1 Child protection services have been in the spotlight for decades, with the ultimate aim to keep vulnerable children safe. Analysis of local authority child protection services continues to show that children do not always get the right help at the right time, because thresholds for social work intervention are not well understood or are too high and resourcing levels are inadequate to meet the level of real demand. This can leave children being left at risk of harm.

In 2012 Portsmouth City Council implemented a transformation programme - 'Social Work Matters' - which was aimed at improving capacity and capability in the system. The programme had 4 inter-related elements:

- Strengthening the professional social work capacity - by remodelling the structure of the teams
- Freeing up social workers to spend more time with children and families - by transferring administrative tasks to business support staff
- Moving to a service focused on child outcomes - through a workforce development programme
- Reducing unnecessary bureaucratic processes - having an IT system that supports best practice

3.2 The first three elements of the programme have had positive impacts on outcomes for children. The fourth is being implemented this year with the transition to a new case management system. Our experience locally, and from other local authorities who have implemented similar programmes, is that investment in social work staffing and their professional support arrangements do secure improved outcomes for vulnerable children. In addition to this, costs in the (care) system can be reduced through effective intervention with families, reductions in the length of time children remain in the care system, and earlier use of in-house foster care placements where possible rather than expensive agency care or residential care (particularly external residential care).

3.3 In the financial year 2016/17 Children's Social Care reduced the (mainly managerial) staffing budget by almost £1 million. This was on the assumption that the workforce in children's social care was stable and capable and that the Social Work Matters Skills Academy was fully implemented and successfully driving workforce development. Part of the thinking was also to reduce demand into social care through better targeted early help.

**Fig 1: Staffing levels in children's social care:**

	<b>2015</b>	<b>2016</b>
<b>% Newly Qualified staff</b>	15%	18%
<b>Total number of staff</b>	382	316

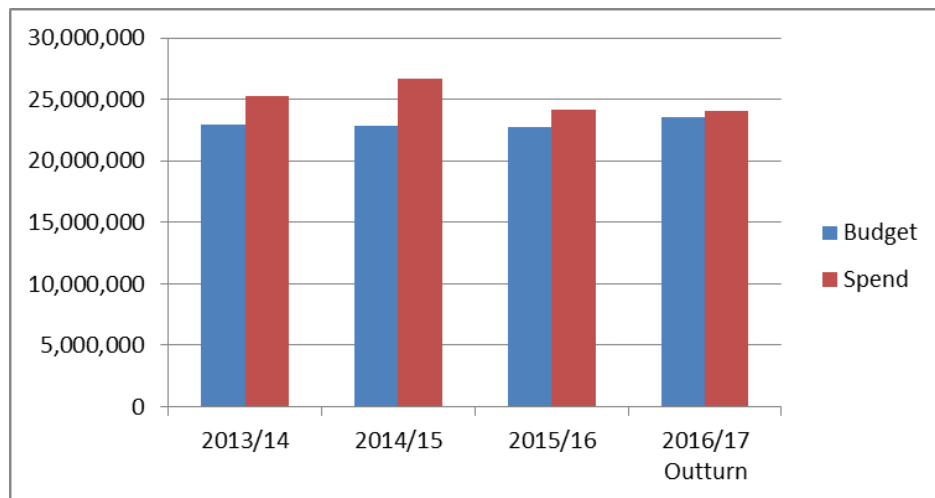
<b>% Staff turnover</b>	21.9%	14.3%
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- 3.4 In the event, 2016-2017 saw a significant rise in demand, particularly for support for teenagers, the causes of which are considered below. While significant restructuring and recommissioning was undertaken in order to create increased capacity for targeted early help, that capacity, while greater than 12 months ago, is still modest compared with other areas, as a result of budget savings taken in that area 2014-2015. It is also as yet untested in that the newly restructured city council targeted service has only been in place two weeks, and the new commissioning specification for health visiting only since April 2017.
- 3.5 The increased demand for social care support in 2016, set out in detail below, has created significantly increased workloads, impeding the ability of social workers to undertake high quality work with young people and families so as to avoid the need for alternative care. Against this background we have seen a very significant rise in the number of young people for whom expensive external residential placements have been necessary, leading to a significant overspend in the care budget.
- 3.6 Increased caseloads pose a threat to the quality of work social workers can do. They also threaten the attractiveness of Portsmouth as an employer for social workers. Maintaining a stable workforce is the first essential element in a sustainable system as without it the authority is at risk of being required to recruit agency staff. Not only are these staff more expensive in themselves, they can also be more inclined to take risk averse decisions about alternative care, adding to care costs.

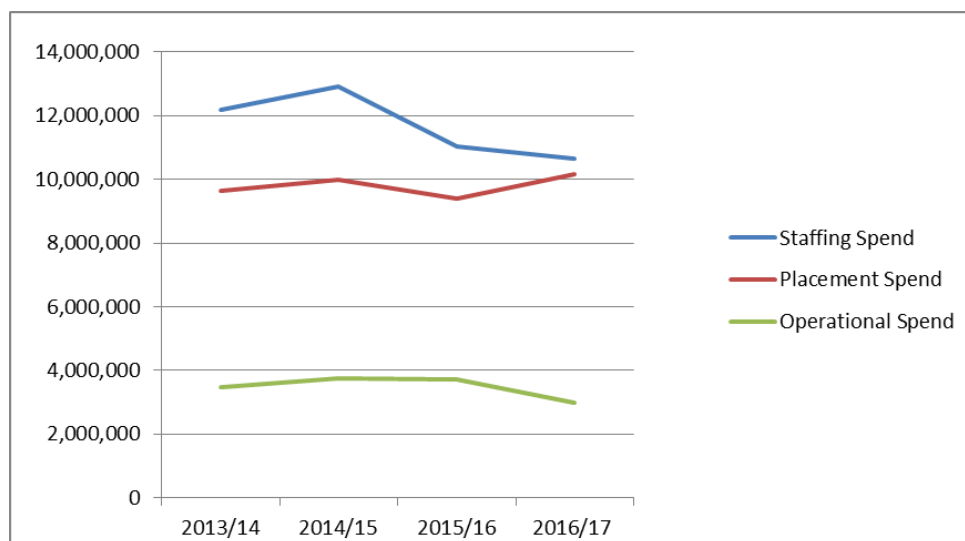
#### **4. Spending Patterns and Demand Analysis**

- 4.1 Between April 2013 and March 2016 Children's Social Care in Portsmouth has over-spent against the allocated budget of amounts between £1.4 and £3.8 million. The significant spending relates to staffing and care placements - as can be seen by the graph below:

**Fig 2a, b and c: Spending patterns in children's social care:**



Year	Budget	Spend	Deficit	Deficit
<b>2013/14</b>	22,989,200	25,283,275	2,294,075	9.98%
<b>2014/15</b>	22,814,517	26,670,402	3,855,885	16.90%
<b>2015/16</b>	22,724,852	24,123,104	1,398,252	6.15%
<b>2016/17</b>	23,516,400	24,061,949	545,549	2.32%



4.2 In the last financial year April 2016-March 2017 the service reduced the over spend to £0.5 million. However, the cost of looked after children placements exceeded the available budget by £1.6m. This overspend was mitigated by one-off savings made throughout the year in both staffing and other operational costs, but the spending pattern highlights a significant anticipated pressure on care placements for 2017-18 as shown in the table below.

Fig 3: Costs of care placements:

FTE Nos	Annual Average Forecast	Total Forecast	Budget Available	Potential Underlying
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		Placement Costs	Expenditure 2017/18	2017/18	Deficit
<b>Placements</b>					
In-House					
Foster Care	206	23,523	4,845,738	4,397,250	448,488
IFAs	32.43	44,871	1,455,152	1,941,000	-485,848
Adoption	64	8,371	535,744	1,118,400	337,883
ROs	20	4,834	96,680		
SGOs	131	6,289	823,859		
					<b>300,523</b>
External residential	16.02	163,560	2,620,229	1,237,100	1,383,129
			<b>10,377,402</b>	<b>8,693,750</b>	<b>1,683,652</b>

- 4.3 The high cost placements tend to be external residential placements and in the last year we saw these numbers rise significantly in comparison with previous years. This growth is currently forecast to continue into 2017-18:

Fig 4: Demand for external residential care placements

	2015/16	2016/17	2017/18
<b>Average Nos (FTE)</b>	7.51	13.61	17.1

- 4.4 Between March 2016 and April 2017 the service has experienced a significant rise in the number of looked after children. Numbers of looked after children have historically fluctuated between 300 and 320 (April 2012 - March 2016) but in the last financial year this increased to 362. Much of this increase relates to the increase of unaccompanied asylum seeking children coming into the city through the Port, with the average number of unaccompanied minors looked after in 2012 at 6, moving to 44 in 2017.
- 4.5 In addition to the significant increase in the numbers of unaccompanied minors, the service has generally seen a rise in the number of adolescents presenting complex and risky behaviours and requiring a social work intervention - see tables below:

Fig 4: Demand into children's social care

		Snapshot Picture end Dec					Total % increase 2012-2016
Ages		2012	2013	2014	2015	2016	
Referrals	0-5	949	866	770	834	954	27%
	6-13	727	741	681	790	1049	
	14+	282	273	293	367	479	
<b>Total Referrals</b>		<b>1958</b>	<b>1880</b>	<b>1744</b>	<b>1991</b>	<b>2482</b>	

Fig 5: Number of assessments completed by children's social care

		Snapshot Picture end Dec	Total %
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	Ages	2012	2013	2014	2015	2016	increase 2012- 2016 48%
Assessments	0-5	751	768	719	757	876	
	6-13	582	659	647	736	970	
	14+	212	232	277	321	433	
<b>Total Assessments</b>		<b>1545</b>	<b>1659</b>	<b>1643</b>	<b>1814</b>	<b>2279</b>	

4.6 Much of the increase in demand and expenditure can be understood by the expectations on children's social care to safeguard the wellbeing of children, including the provision of alternative care arrangements as necessary. Over the past 5 years these expectations have included:

- A robust and coordinated response for children going missing, being exploited and/ or being trafficked
- Completing care proceedings within a 26 week timescale
- Support for care leavers up until they reach 24 years old
- Arrangements to allow young people to 'stay put' in foster care provision

4.7 Across the country these additional expectations have created pressure on children's social care services. The regulatory framework has also increased the requirements under the registration process for residential units and created shorter targeted (thematic) inspections of safeguarding duties. A lot of attention has been given to the quality of social work practice, including the systems local authorities have in place to support social work intervention.

4.8 The Children and Social Work Act became law in April 2017. The Act enshrines a series of changes to the social work profession, including:

- The creation of a new organisation, Social Work England, to take-over from the HCPC as the profession's regulator.
- A requirement for the new regulator to obtain the Education Secretary's approval for professional standards.
- New powers for the Education Secretary to set 'improvement standards' for social workers, and introduce assessments for practitioners. Social workers will as a result be attracted to employers who can offer lower caseloads and better managerial support.

## 5. Summary of Concerns

5.1 As demand has increased into children's social care so caseloads have risen. It is well evidenced that lower caseloads afford better opportunities for risk-sensible, timely interventions - avoiding reactive decisions, which can lead to emergency (costly) placements and children remaining in care for longer.

- 5.2 The most important factor for social workers seeking employment is manageable caseloads. Portsmouth City Council has been successful in recruiting and retaining social workers whilst caseloads have been low. As caseloads rise, our ability to attract the best staff is compromised.
- 5.3 Reactive intervention with chaotic adolescents engaging in risky behaviour can lead to emergency placements - often requiring the use of external residential provision. This can be costly. Our numbers of adolescent referrals, assessments and placements have increased over the past year and continue to do so.
- 5.4 Placing adolescent children in crisis situations can lead to poor placement decisions and create further disruption through placement moves and this can be costly.
- 5.5 This year Ofsted challenged the quality of care being provided to a number of young people in our residential provision. This led to three young people moving to external residential provision at high cost and a number of beds being held vacant for a period of time. Whilst the challenge has been resolved satisfactorily, the cost to the local authority has exceeded £250,000.
- 5.6 Every external residential placement avoided creates significant cost avoidance for the local authority. In the last two years, the number of young people placed in external residential care increase significantly - by 10 (an estimated annual cost of £1.6 million).

## **6. A Proposed Solution**

- 6.1 There is evidence to indicate that better social work decisions and more timely responses are made with lower case-loads and robust management oversight. There is a direct relationship between the number of children a social worker is working with and the quality of the work undertaken - including better risk management.
- 6.2 An additional eight social workers will afford opportunity to create specific adolescent pathways - addressing risks associated with exploitation, re-engaging with education and building/sustaining healthier relationships.
- 6.3 The cost of a pro-active, timely and risk sensible service is recovered if external residential placements can be avoided and need diverted or contained by intervening differently. The service only needs to avoid 4 high cost placements to recover £600,000
- 6.4 The addition of three service leaders will allow us to:
  - (i) Afford specific management capacity to both residential units, rather than stretching one service leader to cover both. Ofsted have indicated our current management arrangement is not satisfactory to meet the care standards expected. The additional management oversight will allow us to target children for our internal residential placements appropriately.

- (ii) Split the through care team into a child in care team and care leavers team. This will ensure that there is better oversight of the quality of care and that young people leaving our care have access to the best support. The increase in service leader availability in these teams will afford opportunity to target those children in external residential care so as to bring them back safely to local resources.
- (iii) Split the central locality team into two smaller teams. The current size of the team (32 staff) has contributed to significant turnover in this team with staff voicing that they are not feeling adequately supported. Two smaller teams will afford better management grip over the work and better support of staff.

- 6.5 The longer-term strategy is to create a sustainable children's system is by reducing demand into children's social care. In 2016/17 we launched our early help and prevention strategy to target children and families below the threshold of social work intervention and provide timely services to prevent their needs escalating to children's social care. Achieving this will afford us an opportunity to reshape the workforce - thereby reducing or avoiding costs and creating savings.
- 6.6 Extensive audit work of adolescents in residential placements has been undertaken to understand where opportunities for pro-active intervention could have been provided to achieve different outcomes. This has highlighted opportunities to intervene earlier with children aged 7, 8 and 9 to prevent escalation of need and to potentially avoid need for residential placement later down the line.
- 6.7 Portsmouth City Council is currently judged as requiring improvement. The inspection framework has been reshaped and Ofsted has indicated that they will be inspecting all authorities requiring improvement in early 2018.

## **7. Summary; Reasons for recommendations**

- 7.1 Keeping children safe while also keeping the overall costs of children's social care sustainable requires regular review of the local service and investment strategy. The right balances have to be struck and demand at different levels managed carefully, from preventative to the highest cost level.
- 7.2 Over the last 12 months there have been three developments in parallel:
- (i) Against previous trend data, there has been a significant increase in demand on children's social care - in terms of referrals, assessments and care placements, for teenagers in particular, which has placed significant pressure on the service in terms of caseloads, care days and care placements.
  - (ii) Savings were made from April 2016 in staffing within children's social care, particularly management and business support. These were judged to be



safe to make given trend data over the previous 5 years and workforce development investment in the previous 3 years through the "Social Work Matters" programme. Particularly given the increased demand this year, they have left management stretched, however.

- (iii) Spend on early help was refocussed, bringing together Children's Centres, Troubled Families and Public Health Delivery to create a new targeted early help service, integrating this with Health Visiting and School Nursing, and increasing volunteer-led delivery of other preventative support. This has created the platform for stronger demand management in 2017/2018 at the lower levels of need but the new service has only just been established and its impact, expected to be first seen over the next quarter, will need to be closely monitored.

7.3 Financially, while staffing costs have been reduced, not just through the planned savings but also through the management of vacancies, our care costs increased because we were obliged to place a larger number of children than usual in expensive external residential placements. Currently, the Children and Families portfolio is predicted to overspend in 2017/2018 by £1.6 million; £1.3 million being attributable to these placements.

7.4 We believe that one factor behind the increase in external placements this year has been rising case-loads for social workers. With lower case-loads, social workers are better able to manage risk in the community, avoiding the need for care proceedings, and particularly expensive emergency placements. Rising case-loads are concerning, not just because they make the management of demand at the highest level more difficult but also because they have other adverse consequences, around inspection outcomes and the attractiveness of the city council as an employer. The aim of the early help refocussing in 2016/2017 is to provide a stronger platform for the management of demand into social care, keeping case-loads lower long term. In the short term, however, we believe that an investment in additional posts within front line community social work teams would be an appropriate rebalancing of our spend profile this year, to reduce the overall safeguarding and financial risks which we now face.

7.5 In addition to these posts, investment in our own internal residential care service could also help reduce the need for external placements.

## **8. Equality impact assessment**

8.1 The impact of these proposals would be to strengthen support for more vulnerable children and families, maximising the chances of children staying with their birth families rather than entering the care of the local authority. They would have a positive impact on this group of children and families; there no protected groups which would be affected adversely.

## **9. Legal implications**

- 9.1 The proposals are expected to reduce the need for the city council to use its legal powers to pursue care orders for children and young people. If successful the proposals would reduce demand for legal services support.

## **10. Director of Finance's comments**

- 10.1 For 2017-18, the initial financial projection for the Children's & Families Portfolio is for an overspend of £1.6m due to the cost of placements; £1.3 million being attributable to the cost of external residential placements, as shown in Fig 3. The financial projection is based on the current children in placement in April 2017 and assumes that they will continue in their current placement until the end of the financial year; unless a placement end date is available. This projection is expected to change as children leave and enter placements throughout the financial year.
- 10.2 The proposals contained within this report seek to increase social work capacity by increasing both the number of Social Workers by eight and Service Leaders by three.
- 10.3 As highlighted within the report, it is intended that this investment in resources will enable better social work decisions and more timely responses to be made with lower case-loads and robust management oversight. As a consequence, it is anticipated that this would lead to a reduction in both the current cost of placements as well as help to avoid unnecessary future high cost placements.
- 10.4 Whilst it is anticipated that the proposed strategy will lead to a reduction in the cost of placements, it may take some time for the changes to embed and have a visible impact on the projected overspend. The intention is that the investment in staffing of £499,000 will be funded from the anticipated reduction in placement costs. However, there is inevitably a risk that the costs will not be fully offset by the reduction in placement costs in year 1, and that the projected overspend for 2017/2018 may increase. The financial position of the Portfolio will be monitored and reported regularly to both the management team and the Cabinet Member during the financial year to enable corrective action to be taken where possible.

Signed by: Director of Children, Families and Education

## **Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: