

# 2018-2020 Financial Planning and Budget Setting Process Business Case for Change

## 1. Summary

<b>Title</b>	Cared For – New Model to Support Children
<b>Business Case Number</b>	Cared For – New Model
<b>Member</b>	Cllr Ian Grayson
<b>Project Sponsor</b>	Jacqui Old
<b>Project Lead</b>	Mark Taylor/Nik Flavell
<b>Council Plan Theme</b>	Our People
<b>Creating a Brighter Future Theme</b>	Cared for Safeguarded and Healthy
<b>Saving or Income</b>	Savings & Income
<b>Total 18/19 Savings/Income</b>	(65,000)
<b>Total 18-20 Savings/Income</b>	(65,000)

## 2. Business Case

### Summary

**A New Model to Support Children:** national policy direction, inspection and demand pressures are creating an environment where local authorities are looking at alternative models to deliver services to support children, including collaboration. This project aims to review best practice and the alternatives to our current approach. It will continue to build on the practical collaborations proposed on Fostering and Additional Needs as well as the strengths of the current North Tyneside team. It will continue to explore the capability to grow direct provision as the dynamics of the market change and our capability to deliver specialist housing and support grows. This means a continuation of the "Transforming Children's services" programme which includes increasing the accommodation available to improve the early help offer and reduce the demand for external residential

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placements, with the potential to trade surplus capacity. There will also be a review of the approach to the provision of financial support through the "S117 budget" to ensure the application and approval pathway for support follows a set of appropriate principles.

### **Supporting children without spend**

Section 17(6) Children Act 1989 provides that the Authority may support a child assessed to be in need through the provision of services and, where considered appropriate, through the provision of financial support. Accordingly, it is longstanding practice that Children's Social Care operates a 'Section 17 budget' from which a range of incidental discretionary expenditure is drawn including everything from the purchase of clothing for children chronically neglected, the provision of gas and electricity metre payments, travel costs for parents for contact, support for those without recourse to public funding etc.

Additionally, the 'Section 17 budget' has also been used for costs associated with the instruction of third party experts to inform care planning. Such experts include Independent Social Workers, forensic psychiatrists and psychologists and toxicology and hair strand testing, etc.

Aggregate spend for 2016/17 for the two elements of the 'Section 17 Budget' were:

- Discretionary Financial Support: £74,213
- Professional Fees: £171,401

The Business Case proposes a reduction of the spend by £40,000 based on:

- Developing more granular financial information to improve in year tracking and greater accountability for spend
- Improving application and approval pathways for Section 17 spend
- Restricting the range of discretionary spend through the issue of Guidance
- Increasing in-house capacity for specialist assessors
- Robustly challenging requests by the Courts for third party independent assessors at cost to the Authority
- Working with Legal Services to reduce the use of Counsel
- Working with Legal Services to reduce the use of third party forensic services

### **Increased traded and placement capacity**

There is an increasing demand for places in children's homes and in supported accommodation at national, regional and local levels. Evidence from the Independent Children's Homes Association (ICHA), May 2017, indicates that:

- Increasing demand for residential placements is a national issue.

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- Looked after Children (LAC) in children's homes increased by 14% between 2011/12 to 2015/16 and LAC in out of borough children's homes increased by 39%.
- The number of children's homes has not increased in line with demand.
- Average cost of residential placements nationally increased by 15% between 2013 to 2016.
- There is an increased focus on matching the needs of children with the type of placements available and homes are increasingly evidencing that they consider the impact of new placements on current residents.
- The Association of Directors of Children's Services (ADCS) and the Local Government Association (LGA) have been investigating whether changes to the Ofsted Inspection Framework has resulted in homes becoming more risk averse.

Similarly, in the North East region and locally the demand for children's residential placements is growing:

- Evidence from regional LA NE12 commissioners and needs analysis indicates that placements for adolescents (particularly males) with a combination of risks including aggressive behaviour, offending, substance use and sexualised behaviour are increasingly difficult to source.
- Children are usually initially placed in or close to the borough but if these cannot be sustained children can end up being moved to a high cost out of borough placement.
- A recent issue is that LAs across the region have had to occasionally place children in solo unregulated placements for short periods due to a lack of placements.

North Tyneside was commended in the recent Ofsted inspection for its good accommodation offer and wider support for children in care and leaving care.

To address the increasing demand and rising costs in Children's Social Care we are delivering our whole system 'Transforming Children's Services (TCS) Programme'. This includes a range of priorities to improve our early help and intervention support and reduce the demand for residential placements through improved edge of care services and increased foster care capacity. In addition, to meet demand we are also increasing our accommodation offer, including:

- Elm House 'Staying Close' funded by DfE Innovation Fund - (new 6 bed moving on accommodation for children in or leaving care), opens Nov/Dec 2017

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- Mitford Gardens (new 5 x 2 bed self-contained flats) – joint project between Leaving Care and Strategic Housing opens Nov/Dec 2017 and additional trainer flats
- Under 25's Supported Accommodation Service for vulnerable young people at risk of homelessness – new contract commenced 1<sup>st</sup> October 2017
- A new NE12 Regional Framework commencing Feb 18 – including external Children's Homes, Independent special schools & colleges (day and residential) and residential short breaks for disabled children

We are also exploring the feasibility of developing:

- smaller children's homes (solo or 2 bed) in the right location that could meet the specific needs of the adolescents with the most complex and challenging behaviour – whether assessment placements or longer term beds
- assessments beds for mother and baby placements and the potential to expand our current young parents offer at Purley Close and New Beginnings

As we manage our local demand for residential services and increase our accommodation offer this may provide opportunities for us to sell beds/placements to other LAs. In terms of the quality of our services, we are currently one of 14 Local Authorities nationally who have an overall Ofsted inspection judgement of Good or Outstanding across all areas. This means our residential services are of a high quality, which would potentially make them an attractive proposition for other Local Authorities seeking a placement for one of their children.

This business case proposal would therefore seek to compete with the external residential market on quality rather than price. It would also operate in a current market, which is not expanding sufficiently to meet the rising demand for placements. The rationale is to sell a bed or multiple assessment placements (assuming a 12 week duration) at a premium of circa £500 per week over and above the costs of providing the placement. The actual costs of each placement would vary depending on the LAC status, age and individual support needs of the child or young person.

### Target Operating Model – alignment to key principles

1. We understand and manage demand	x
2. We enable people to help themselves	x
3. We use intelligence to target resource to best effect	x
4. We Maximise income and reduce long term cost	
5. We work in partnership to improve outcomes	x

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6. We are innovative and utilise technology to improve outcomes	x
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### 3. Financial Implications

Net Savings / Income	Cost Centre & Subjective	Part year? (months)	18/19 (£000s)	19/20 (£000s)
Supporting children without spend	04130 3019		(15)	
Increased traded and placement capacity	04127 5501		(25)	
Developing specialist services	04066 2904		(25)	
<b>Total</b>			<b>(65)</b>	<b>(0)</b>

Financial Analysis 2018/19	
Expenditure/Income Line	Value (£000s)
Third Party	(25)
Transfer Payments	(15)
Fees and Charges	(25)
<b>Total</b>	<b>(65)</b>

### 4. Staffing Implications

Affected FTE [Reduction (-), Increase (+)]	2018/19	2019/20
None	0	0
<b>Total</b>		

### 5. Delivery Plan, Risks and Outcomes

Key Milestones		
Milestone	Lead Officer	Completion Date
<b>Supporting children without spend</b>		
New Cost Codes	Nik Flavell	30 November 2017
New application processes	Nik Flavell	31 December 2017
New authorisation pathway	Nik Flavell	31 December 2017
New Guidance to Practitioners	Nik Flavell	31 December 2017
New in-house specialist assessors	Nik Flavell	31 March 2017
Work with Legal Services re. third party assessors	Nik Flavell / Helen Coombs	31 March 2017

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Work with Legal Services re. use of Counsel	Nik Flavell / Helen Coombs	31 March 2017
<b>Increased traded and placement capacity</b>		
Conclude plan for placement moves to Elm House and Mitford Gardens	Craig Nicholson	Dec 17
Prepare annual LAC Sufficiency Plan inc needs analysis	Rebecca Bacon	Jan 18
Determine surplus capacity in in-house Children's Homes and Supported Accommodation	Rebecca Bacon/Craig Nicholson with Residential Managers	Jan 18
Indicate intentions to regional NE12 commissioning group	Rebecca Bacon	Feb 18
Review Ofsted requirements/amend Statement of Purpose for each home	Residential Managers	Mar 18
Agree access to additional services e.g. education, CAMHS etc	Rebecca Bacon/Craig Nicholson	Mar 18
Agree protocols for selling services with Residential Managers	Rebecca Bacon/Craig Nicholson	Mar 18
Circulate available placements to regional NE12 commissioning group	Rebecca Bacon	Mar 18
Placement review and matching	Residential Managers	Apr 18
Placements commence	Residential Managers	Apr 18

Risk	Risk Score	Mitigating Actions
<b>Supporting children without spend</b>		
Staff are not fully involved in the process	D3	Develop a Communication Strategy

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Partners are not involved in the process	D3	Work directly with Legal Services and the Courts to increase acceptance of the Council's own expertise without recourse to expensive Third Party experts
Legal challenge and/or complaints by service users	D4	Ensure new Guidance compliant with statutory responsibilities and that the use of discretion is clear, transparent and equitable
The change process results in increased risk to children and young people	D4	Decision-making not to spend to support children needs to be made by experienced safeguarding managers, ensuring that the welfare of children and young people is always safeguarded and promoted
Business case undermined by increased demand / needs of service users	D3	Monitor demand through performance management information
<b>Increased traded and placement capacity</b>		
Demand volatility - lack of surplus places in existing provision or lack of sufficient places for our own young people.	B3	LAC Sufficiency Analysis by LAC Sufficiency Planning Group  Transforming Children's Services programme to reduce demand for residential provision
Lack of demand for Mother and Baby Assessment Placements	B3	Robust regional/national needs analysis required
Lack of specific expertise to establish an assessment unit for mother and baby placements	B3	Review of proposed service model and workforce needs assessment required
Inability to develop new provision – lack of capital and/or revenue, community resistance to a new home	B3	Ongoing work with Strategic Housing and Capital Teams. Stakeholder engagement/consultation
Competition from other LAs seeking to expand their own internal offer	B3	Share intelligence with regional NE12 Commissioning Group

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Matching issues when considering the mix of children within the home results in refusal to accept referrals	B3	Clear Statement of Purpose and referral criteria shared with NE12 LAs. Scope to sell beyond the region.
LAs seeking to place their most challenging young people – community issues, Police concerns	B3	Robust risk assessments undertaken as part of referral process
Ofsted approval for changes/new provision not granted	C3	Early discussion with Ofsted about proposals
Future poor Ofsted inspection of an individual home	D3	Oversight of Senior Manager for Residential Services and Senior Quality Manager
Lack of available support services e.g. Education, CAMHS	B3	Charge the referring LA to cover the education place, liaise with CCG
Lack of timely move-on, transition or return options	B3	Agree transition and return pathway plan with placing LA
Cost of voids between placements.	B3	Price into model

### Performance Indicators

Performance Indicators		
Indicator		
	Baseline	Target
Number of placements agreed	N/A	4
Occupancy – planned and actual (Bednights)	N/A	80% (292 bed nights)
Number of planned and un planned move-on transitions or placement breakdowns	N/A	4 planned

### 6. Other Requirements / Dependencies

#### Technology Requirements

Internet access, security requirements for any new home to be confirmed.

#### Supporting children without spend

Liquid Logic (LCS and ContrOCC) enables child spend to be recorded.

Financial Data collection – the greater the granularity the more robust the “grip” on spend reduction can be.

#### Client / Customer Implications



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Consideration of clients' needs to be taken into account as part of the implementation of each of the projects

### **Supporting children without spend**

The business case is informed by the TOM principles focusing resources on the most vulnerable and ensuring that the provision of financial support does not create a dependency.

### **Increased traded and placement capacity**

Will reflect needs of referring LA. Other LAs likely to be seeking places for their most challenging young people. Ability to agree/deliver timely transition and move on plan may be difficult.

### **Partner / Stakeholder Implications**

Discussion with the NHS/Clinical Commissioning Group as part of the implementation of each of the projects.

### **Supporting children without spend**

The changes proposed will have minimal impact on ongoing work with our partners but will, nevertheless, benefit from a clear narrative that it is not a withdrawal of support from families but a targeting of resources on the most vulnerable. Work with the Courts may be required in relation to the direction to use third party independent assessors at cost to the Authority.

### **Increased traded and placement capacity**

Community stakeholder engagement including police and other partners will be required for any new provision.

### **Equality and Diversity Implications**

**Supporting children without spend** The Business Case will not impact appropriate targeted support to vulnerable children and young people. It is argued that targeting support to the most vulnerable supports and empowers families to be more resilient rather than become dependent upon the Council. Where children and young people face discrimination, victimisation and harassment support will still be provided to address the causes and mitigate the impact of those problems.

**Is this project also included/supported by Capital Investment?**

Yes

## **7. Sign Off**

**Mayor / Cabinet Member(s)**

Cllr Ian Grayson

**Head of Service(s)**

Jacqui Old

**Finance Manager**

Alison Campbell