

## **Children and Families Overview and Scrutiny Panel**

### **Wednesday, 27 September 2023, 10.00 am, County Hall, Worcester**

#### **Membership**

##### **Councillors:**

Cllr David Chambers (Chairman), Cllr David Ross (Vice Chairman), Cllr Mel Allcott, Cllr Kyle Daisley, Cllr Nathan Desmond, Cllr Matt Jenkins, Cllr Jo Monk, Cllr Tony Muir and Vacancy

##### **Co-opted Church Representatives (for education matters)**

Mr Tim Reid and Vacancy

##### **Parent Governor Representatives (for education matters)**

Vacancy

### **Agenda Supplement**

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All the above reports and supporting information can be accessed via the Council's website [here](#)

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## **APPENDIX 1**

# **Children in need of Support, Care and Protection**

## **Placements for Looked After Children**

**Scrutiny September 2023**



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## 1. Background

1 The WCF Business Plan for 2023/24 was agreed by WCF Board on 21 March 2023 and endorsed by Cabinet on 30 March 2023.

## 2. The Worcestershire Children First Business Plan - Eight Priorities

### 1. Sustain stability within the Workforce, deliver high support and challenge and be the employer of choice.

- Engagement of future social care workforce
- Management and leadership development and training
- Care review five-year framework
- WCF social care workforce development

### 2. Prevent risk and needs escalating for vulnerable children and those who are “Children in Need” of support.

- Access and attendance in education
- Raise attainment and meet emotional health and wellbeing needs.
- Trauma informed schools
- Delivery of our multi-disciplinary Supporting Families First: Care review

### 3. Progress to achieve our vision for our 0-25 All Age Disability Service

- SEND Improvement Plan
- 0-25 Development of practice standards
- 0-25 Development of outcome measures
- Development of All Age transition pathways
- Implement our Delivering Best Value programme.

### 4. Support Guide and enable schools and education providers to deliver high quality, inclusive education provision.

- Reorganisation of education services
- Raising attainment of Disadvantaged children programme
- Quality Assurance intervention programme for those schools identified as requirement improvement or declining.

### 5. Make effective use of child protection processes to bring about timely and sustained change for children.

- Revise impact of application of Child Protection thresholds to ensure we are providing support and interventions at appropriate levels to meet our duties to support and protect.
- Engagement of all stakeholders to join this journey.



**6. Ensure Looked after children have high quality, stable placements and timely outcomes for permanency.**

- Target recruitment of foster carers & kinship support
- New Children's Home
- Regional Safe Centre
- Virtual School and 16+ pilot
- Develop UASC services and engagement at NTS.
- Special Team for long term stable looked after children.

**7. Ensure we make progress against our school place sufficiency to meet short- and longer-term demand.**

- Progress Worcestershire secondary school build
- Progress our new ASD special school build programme.
- Ensure foundations are in place to meet our five-year school organisation sufficiency plan, including Alternative and Special Provision

**8. Ensure our Care Leaders have the best start for Independence.**

- Access to comfortable and safe housing
- Access to education, employment and training
- Early matching to a Personal Advisor
- Delivery of ASDAN with care providers
- Deliver against our Virtual School 16+ pilot.
- Launch our Connect programme.

2. Within WCF there are a wide range of services covering Targeted Family Support, children in need of support, child protection, children in care and care leavers, Education & Early Years and All Age disability services which include services for children with disability and SEND.

3. Our delivery, development and management approach is "end to end" so as to ensure we consider the impact each area of service has, its value and impact, to the overall outcome for a child we are seeking to achieve.

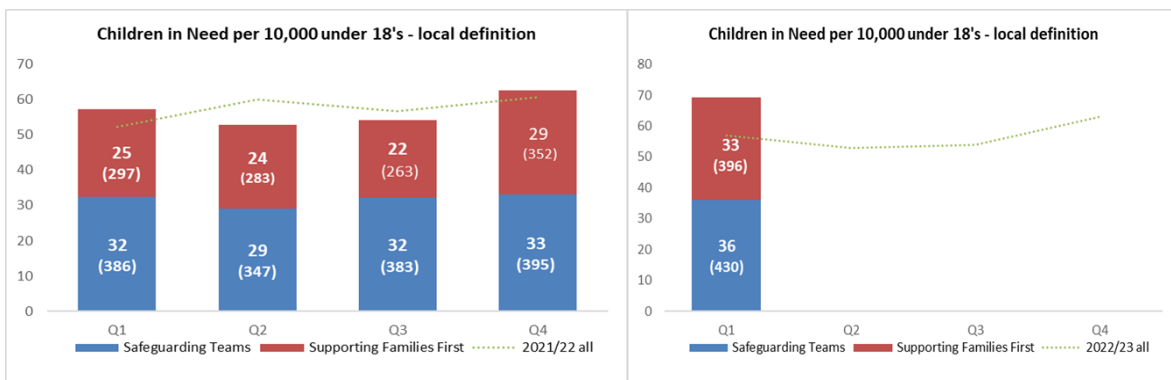
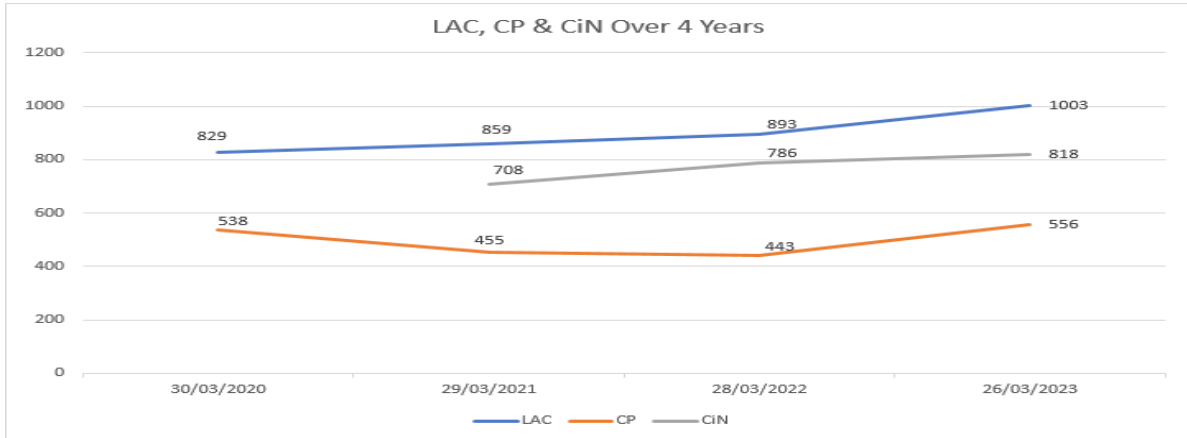
4. The priorities within the business plan are therefore all relevant and important and this report can be read in conjunction with the Business plan report to understand the wider context. [Worcestershire Children First Business Plan 2023-24](#)

**3. Children in need of Support, Care and Protection**

**Early Help and Children in Need**

5. Over the past three years we have seen a steady increase in all groups of vulnerable children needing intervention support, protection and care from children's services as reflected in the trends shown in the charts below. This increase in demand is reflected in the

Association of Directors of Childrens Services (ADCS) Safeguarding Pressure reports.-  
[ADCS Safeguarding Pressures Phase 8 Full Report](#)



**22/23**

**23/24**

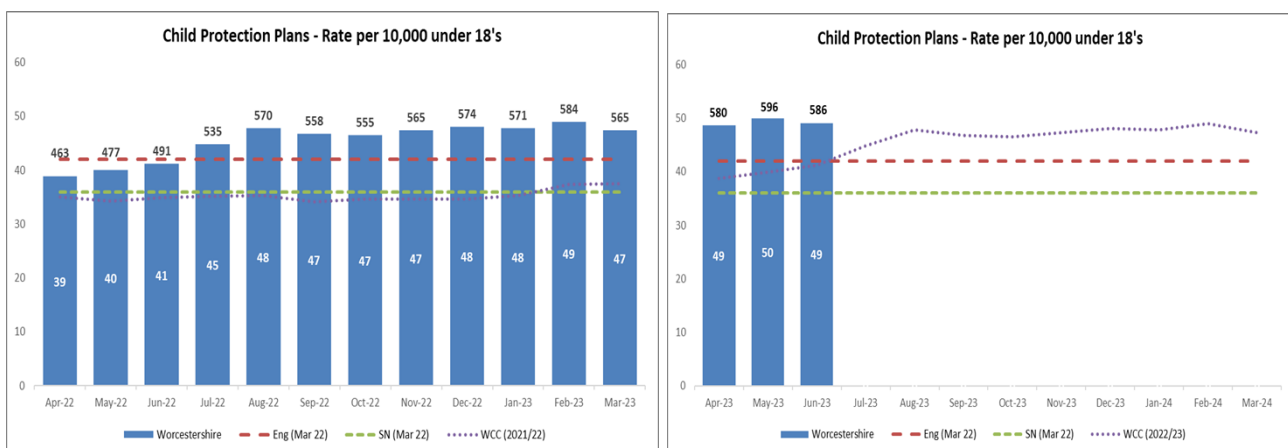
6. Our Children in Need cohort continues to grow, and the chart above shows the increase in demand this year compared to last.
7. Our Supporting Families First multi-disciplinary team working with children to prevent needs and risk escalating to child protection and or Care continue to be effective in supporting families to make the changes and importantly sustain the changes they need to make.
8. Quarter 1 outcome data in Supporting Families First (SFF) highlights that of the 221 children's cases closed, 76% (167) children remained with their family where improvements had been made, 18% (40) children were escalated to child protection and only 3 children (1%) were received into care.
9. These outcomes are reflective of the year end outcomes achieved in 2022/23 and as such continue to reflect an effective service, findings echoed by Inspection of Local Authority Children's Services (ILACS) in May 2023.
10. However, demand for these Child in Need services at level 3 is rising and a growing complexity of need in these families is recognised in national research. The accessibility and impact therefore of universal and early help services is important.

11. For Worcestershire, Child mental health continues this year to be the third most common risk factor identified in social work assessment, a change we saw post-Covid. Emotional abuse of the child, largely associated with Domestic Abuse and sometimes the parents' inability to cope with their challenging behaviours, has risen to our fourth most common risk factor, having previously been the sixth most common risk factor.

12. We have seen the same pattern of risk factors identified within our Family Front Door (FFD) contacts where “parents struggling with parenting” is the most common factor followed by mental health needs. We are seeing a significant increase in parental difficulty in meeting needs for children with Autism and Autism Spectrum Disorder (ASD) resulting in risk of family breakdown and negative impacts on school attendance and exclusions.

13. Therefore, as part of our services development we are looking at how to better use our Targeted Family support services to help families create sustained changes earlier and prevent escalation to Child Protection and Care, and we are looking at what we can develop as a support service specifically for children awaiting assessment for autism and how we can then post assessment support them to access universal and or specialist support services.

### Child Protection



14. Through last year and this year, there has been an increase in demand for children entering the child protection system from Section 47 through to Child Protection plans.

15. We have seen a number of repeat Child Protection cases where audit shows appropriate decisions to step down are made but parents are unable to maintain or embed the progress without additional services.

16. We are also seeing an increasing number of children on child protection plans for 15 months due to a longer time required to address the challenges in parenting and ensure the child is receiving safe stable care.

17. Historically in 2019/20 we saw 36% of children subject to child protection with an outcome of Care. This improved to 14% in 2020/21. However, post-covid years 2022/23 this outcome is showing a slight increase to 17%. We do not have a regional or national breakdown at this level. What we do know is our children protection number is higher than the England averages, but our new care accommodations are in line with regional averages and in line with other “Good” Local Authorities.



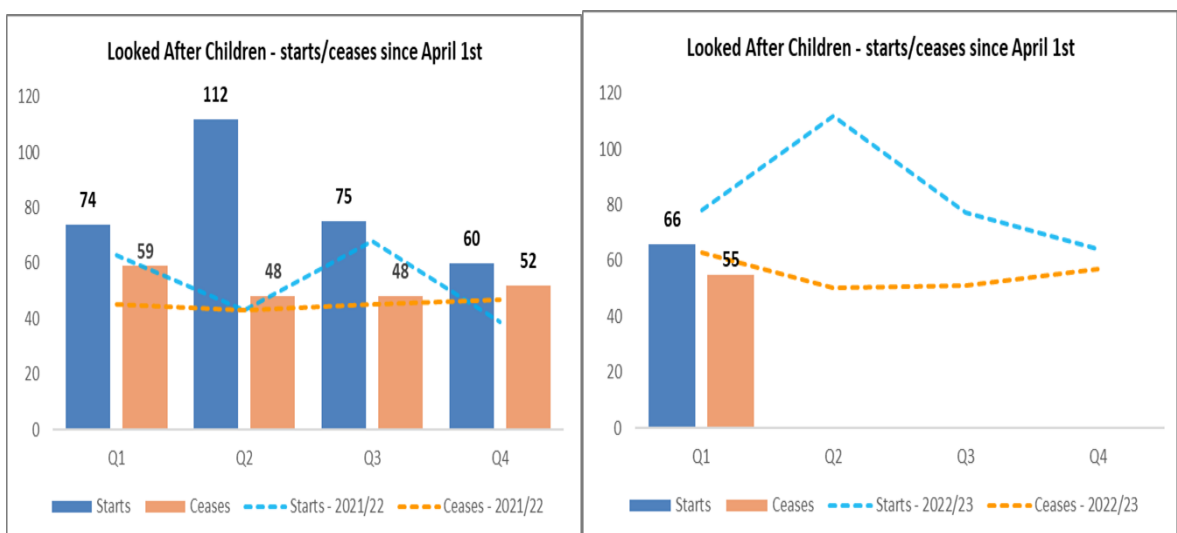
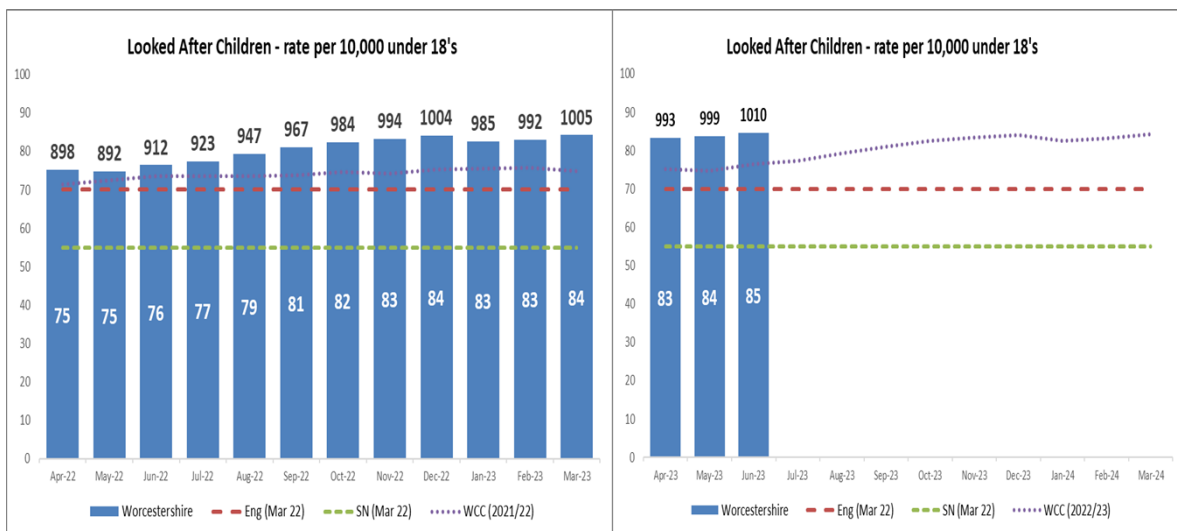
18. Managing children safely at home requires high levels of risks management from social workers, supported by all levels of management, and the wider partnership of agencies.

19. Our WCF values are to first support parents to care for their own children and promote family life. As outlined above it is essential our early help services are accessible and effective and that our partners work with us to manage risk in families as we support parents to address their challenges and improve their parenting skills and build their confidence to enable them to care for their own children well and safely.

20. Understanding the needs of children who cannot be safely parented at home is an essential part of understanding the demand and cost of placements for children in care.

**Children in Care**

**23/24**



21. We have seen a rising number of children in care although our numbers of “New” children in care is very consistent with all neighbouring “Good” Local Authorities at 6 per 10,000.

22. We have a duty to accommodate where a child is in need of safeguarding and/or has no person with parental responsibility able to offer care.

23. Our children exiting care have, however, been at slower rates than a number of our regional statistical neighbours, with Staffordshire averaging 5/6 per 10,000, and Warwickshire 6/7 per 10,000, compared with WCF at 3/4 per 10,000, ultimately causing our overall higher numbers of children in care than England averages.

24. We have a robust process for assessment and authorisation for children entering care, set out below, but supporting children to leave care safely, whether it be rehabilitation to parental care or to prepare for semi-independence, is an equally important statutory responsibility and good practice.

25. Our own good practice in supporting children returning to parental care and support to care leavers was evidenced in ILACS and contributed to our “Good” Judgement.

**Ofsted said of our rehabilitation work:**

*“Following thorough assessment, children return home from being in care when there is progress in their parents’ ability to care for them. After they return home, children are consistently visited to ensure change has been sustained and they continue to be safely parented”.*

26. We are this year seeing an increase in the number of extended family and friends who don’t wish to be assessed as foster carers but are only willing and able to provide short term support, if financial assistance under Children Act 1989 Section 17 Children in Need of support is provided. This is a cost implication we have to factor in for the coming year and beyond.

#### **4. Decision making for Children entering and leaving Care in Worcestershire**

**The process for decision-making for a child coming to Care.**

27. The PALAC form (Process for Accommodation into Local Authority Care) is the key decision-making process used by the service to bring a child into Local Authority (LA) care. The process sits within the Liquid Logic system as a workflow:

- Social Workers: Assessment and analysis - identifying the need for a child to be received into LA care.
- Team Managers: Rationale for supporting the social work analysis and identification of the outcomes this action seeks to achieve for the child.
- Group Managers: Evidence of professional quality assurance in the assessment and rationale of the Social Worker/Team Manager in authorising or rejecting the request in the best interests of the child.

- Collective record of compliance with duties of the Local Authority associated with receiving a child into Local Authority Care.

**28. Within Liquid Logic:**

- The completed [PALAC](#) should be discussed with the Team Manager and subject to agreement sent to the responsible Group Manager for authorisation (the Designated Decision-maker) and subsequently the Director.
- Once authorisation is given the Social Worker will progress with a Placement Request Form (PRF) which is sent through to the Placements team.

**29. Placement Team role:**

- The team receive the PRF via Liquid Logic. At this point a duty worker will check that permission is in place to search. Where it is not clear, clarification will be sought from the relevant Director.
- The form is allocated to a Placements Support Officer who will quality assure the form and link with the social worker if it is felt the form could be improved to reflect the child at their best.
- Once ready, the form is initially sent to the internal teams depending on the search type e.g., WCF Fostering, WCF Residential and WCF Supported Living (Outreach).
- If an inhouse placement is not offered, the search is sent externally using a secure Placements Portal and email. Framework providers are prioritised due to these generally offering better quality and value for money.
- Due to a lack of market sufficiency, there are numerous times placement offers are not forthcoming when sending via the portal and email. In these circumstances the officers will use their local market knowledge and working relationships with providers. Providers will be approached directly to discuss specific referrals in order to try and secure placements.
- The placements team will share suitable offers with the social work team who will decide whether they wish to proceed with a placements option.
- Once a chosen option is confirmed, Placements still will attempt to negotiate the best possible price with the chosen provider. Such conversations can include highlighting or challenging “extras” offered by the provider which are not needed by the child e.g., 2:1 for the first month to help settle the child. The relationships the team have developed with providers over time help to put them in a strong position when having these conversations and this is reflected in the ongoing cost avoidance the team accumulate.
- All activity for each search is recorded in a Placement Chronology on Liquid Logic.
- The Placements Team cost avoidance from 1 April 2023 to 7 September 2023 was £326,684.
- Once the final conversations have taken place with the provider and pre-placement quality assurance checks have been completed, the Placements Team will send all the details about the placement and the search to the Director seeking their approval to place.
- If approved, the social work team and provider are notified. The Placements Team send out the contract to the provider and set up payments once the move date is confirmed.
- The child moves to their new home.

**30.** For children exiting care this is part of the Looked After Child review or pathway planning. All 16/17yrs discharging themselves from care have to be authorised by the DCS and as young people leave care and move into supported accommodation, they are placed

with in in house or external provision where they cannot remain “staying put” with their carers.

## 5. Placement types.

31. There are four predominant types of placement:

- Foster Care
- Residential Care
- Secure
- Semi Independent Supported Care

In each area we are looking to ensure we have a variety of carers to meet need and all at best value.

### Foster Care including kinship support.

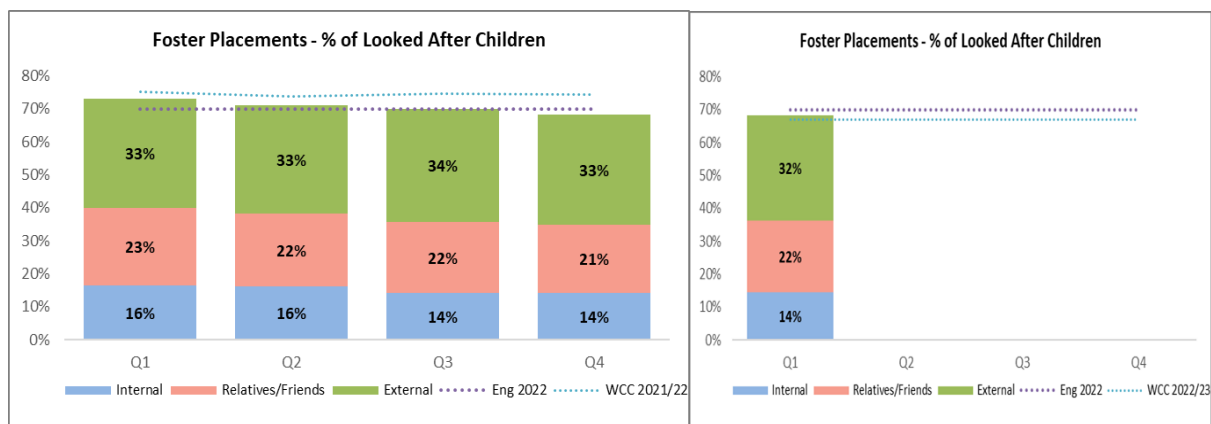
32. Worcestershire Children First Fostering is an independently registered agency. Last inspected February 2023, the agency received a “Good” rating from Ofsted. Although this is an independent agency provision it is referred to as an internal Worcestershire provision and is the first point of call for any placements for new children coming into our care.

33. Despite the recruitment of a dedicated Fostering Recruitment officer and a targeted programme, our Fostering recruitment continues to bring in very limited results.

34. We have had a very slight increase in enquires this year but only 6 new assessments started by quarter 1. The rate of conversion to assessments is low nationally at 8%, and it is 10% for WCF reflecting the national problem.

35. The rate of recruitment cannot keep pace with the rate of carers ceasing to be foster carers, most frequently retiring.

36. The table below shows WCF have a below England average number of children in foster care and a year-on-year decline for us in the number of children in care placed in a family care arrangement. *(There is no national breakdown between internal/Kinship and Independent Fostering Agency (IFA) )*

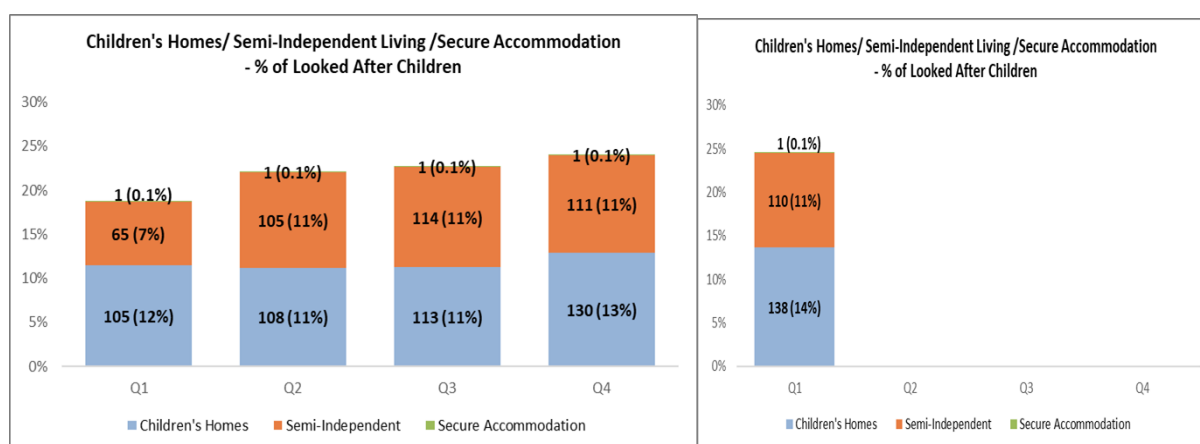


**37. Activity to increase foster carers:**

- Development of specialist carers willing and able to care for the high need children coming in now.
- Review of payment schedule for carer willing and able to accept significant groups of three or more.

**Residential Provision**

**38.** Whilst our data shows a reduction in the use of Independent Foster Care placements, this is not a positive indicator as the reduction has to be associated with the rise in residential placements from 12% in Quarter 1 of 2022/23 to 14% Quarter 1 of 2023/24.



**39. During 2021/22 we placed 61 children in new residential placements.**

- 23% (14) came from home.
- 77% came from existing care placements.
- 21 came from existing residential (including secure)
- 21 came from a fostering provision.
- Others came from hospital (4)

**40. Ages of the 61 children requiring residential placements**

- 6% (4) children were 10yrs of age and under
- 34% (21) children between 11yrs and 13yrs
- 42% (26) children between 14 and 15yrs
- 16% (10) were over 16yrs.

**41. During 2022/23 we have placed 82 children in new residential placements.**

- 30% (25) came from home.
- 70% came from existing care placements.
- 23 came from existing residential.
- 27 came from a fostering provision.

- Others came from hospital (3), crisis (3) or SBL (1)

42. Ages of the 82 children requiring residential placements

- 14 % (12) children were 10 yrs. and under – **a concerning increasing picture.**
- 33% (27) children between 11yrs and 13yrs
- 41% (34) children between 14 and 15yrs
- 11% (9) were over 16yrs (one of those was a natural transition into special needs adult care)

43. In **2023/24** from 1 April to 31 July, we placed 22 children in new residential placements.

- 72% (16) came from home - **a concerning new trend in demand for residential straight from home due to no availability of family or foster care placement to meet the challenging and complex needs of those entering the care system.**
- 28% came from existing care placements – **an improved figure and focus of our “consolidation” meetings hold to try and prevent breakdowns.**
- 1 came from existing residential.
- 5 came from a fostering provision.

44. Of the 22 children requiring residential placements

- 18% (4) children were 10 yrs. and under – **remains a very concerning picture.**
- 41% (9) children between 11yrs and 13yrs
- 36% (8) children between 14 and 15yrs
- 4% (1) was over 16yrs.

45. The cause of breakdowns we see are in the main associated with challenging teenage behaviours 11 -15yrs, some triggered by a drive to return to parental/family care, but many others from carers' inability to manage young people's challenging of boundaries. Many are what we would describe as normal challenging teenage behaviours and we see an anxiety in carers concerning their willingness to manage these, citing impact on other children in the household and allegations made against the carers as real barriers to maintaining placements.

46. However, we are seeing a very concerning picture in the rise in younger children under 10yrs who we cannot find a foster carer placement due to their challenging behaviours, often associated with school exclusion.

47. We currently have 8 children under 10yrs in residential care; these are the children we will target new specialist higher paid foster carers for.

48. **Each new placement, following a breakdown, demand higher cost as they refer to the complexity and risk of need not being met by the former provider.**

### **Internal Residential Care**

49. We currently have three children's home all of which provide care or short breaks for children with disabilities. Two short breaks and one full time residential home. The latter is a registered 4 bed home but is currently only caring for 2 children due to our inability to staff and match and place further children.

50. In relation to the development of our own in-house residential provision, we have had to respond to poor quality care and safeguarding concerns in some of our homes which has led to closures over the past two years. We have had significant challenges in residential staff recruitment, as we are unable to compete with the salaries by the independent provider market and our strategy has been to focus on care prevention rather than build internal provision working against the potential driver "if beds are available, we will find children to fill them" and instead focus on supporting staff and partners to manage risk in the family for the greater long term outcome of the child.

### **New Residential Children's Home**

51. Following a successful bid for DfE funding to open a one bed children home, refurbishment has been completed to provide a "high need crisis" resource for one child. Communications have taken place with local members and neighbours. However, we have yet to be able to start the Ofsted registration process as we have to date been unsuccessful in our attempts to recruit a Registered Manager.

52. We are currently liaising with the DfE to see whether or not we can use the 3-bed home on an interim basis as a supported board and lodgings and not default on the grant criteria.

### **Independent Residential Provision**

53. When new providers develop residential homes within or close to Worcestershire, the commissioning team make proactive links in an effort to secure favourable contract rates and/or exclusivity for Worcestershire children. The team also revisit such discussions with existing providers.

54. The Commissioning Hub Manager and Director of Through Care are imminently meeting with such a provider which has recently become a charitable foundation in a concerted effort to secure a favourable block contract. Further, the potential for the same provider to operate the crisis home referred to earlier within this report, is also being explored.

### **Regional Safe Centre (RSC) (Secure)**

55. The RSC, the West Midlands project group is continuing. There is an independent project manager in post, the site has been confirmed in Birmingham, a range of workstreams are in place to progress the project and the Worcestershire Director of Children's Services (DCS) sits on the Project Board as one of three DCS representative of the regional group.



### **Supported semi-Independent Living**

56. We currently have 24 properties providing 52 beds to young people aged 16-19. This is internal provision supported by our Outreach Service. As we meet the need of our older cohort of young people growing our internal supported accommodation gives us both quality and best value cost.

57. We are looking to increase this internal provision using a property identified already owned by the Council and we are looking as part of last and this year's business planning to develop a supported living/shared care facility using the Green Hill Lodge. However, we will need investment in additional outreach staff and residential workers to manage its residents.

58. As of October 2023, all semi-independent provisions are required to register with Ofsted. As of April 2024, all of these provisions will be subject to inspection, similar to that in place for residential children's homes. There is great concern across ADCS that providers will not want to register and be subject to inspection and this in turn will reduce the availability of the provision driving up the cost for those that remain.

## **6. Oversight, Monitoring, Quality, Timeliness and Cost of Placement provision**

### **The WCF Commissioning Team**

59. WCF operate a well-established and comprehensive system and process to ensure there remains robust oversight of all placements for our looked after children.

60. The WCF Commissioning Hub has been in its current format since the summer of 2022. The Hub was first created in October 2021 when the Placements Team in Social Care were merged with the Commissioning Team in Resources as a wider WCF commissioning service.

61. The primary functions of the Commissioning Hub are:

- Social Care Placements - finding placements for looked after children, monitoring and quality assurance of placements and supporting the service with all areas of placements finance and contracts.
- Commissioning - commissioning services for WCF, contract management and monitoring and contributing to strategic reviews.
- SEND Commissioning - commissioning independent school places and alternative provision, monitoring and quality assurance of these places and supporting the service with all areas of independent SEND placement finance and contracts.

62. In 2018 the Placements Team were subject to an audit focussed on high-cost placements and spend and it was confirmed the team had substantial assurance. The Placements Team were audited a second time in 2021 with a focus on the Placement process, which confirmed a moderate assurance rating overall. It highlighted that due to the high costs involved, financial risks are high and sit at a moderate rating, but the service controls operated by the team and service provided substantial assurance as it had in 2018.



## Regional Frameworks

63. The West Midlands currently has regional frameworks for supported accommodation, residential and fostering. Frameworks are designed to ensure local authorities have access to local placements at good value and provide good quality services. One local authority leads each framework with all the other West Midlands LA's accessing it and supporting with the development work.

64. Birmingham currently lead the residential framework. WCF currently have 40% of our external residential placements with framework providers. The regional by vote agreed a 6% uplift although providers could request to have a higher rate which would be considered at a Sustainability Panel (LA reps for placing authorities).

65. Sandwell currently lead the fostering framework. WCF currently have 83% of our external fostering placements with framework providers. A 2% uplift was awarded although due to provider feedback, 6% is currently under consideration. There is concern providers will leave the framework in large numbers if a higher uplift is not approved.

66. The supported accommodation framework is led by Staffordshire. WCF have 55% of our external supported living placements on the framework, which was recently commissioned in 2022. The impact of the pending Ofsted regulation on the framework is being carefully monitored by regional commissioners.

67. The Placements Team always try to find inhouse placements first, whether it is via Worcestershire Children First Fostering, inhouse residential or inhouse supported accommodation. If an inhouse placement isn't available, the team will send a referral to all external providers prioritising Framework providers and only using spot providers if there are no suitable framework options available. Frameworks do offer better value so the team will strive to find a framework provider first. The current average fees split by framework and spot providers that WCF pay are:

Placement Type	Ave Framework Fee	Ave Spot Fee
Residential	£5761	£5821
Fostering	£880	£1025
Supported Accommodation Core Fee	£806	£1310

68. The above costs clearly indicate Frameworks offer better value currently and have done for several years. However, cost of living pressures in recent years have led to providers increasingly requesting higher framework uplifts and stating they are prepared to come off frameworks and offer spot prices if higher uplifts are not awarded. Regional commissioners are seeking to try and balance provider views and the need to maintain good value as part of the ongoing recommissioning work. This includes reviewing current price uplift mechanisms.

**69. Background:** In February 2023, the Government published a vision to transform children's social care in [Stable Homes, Built on Love: Implementation strategy](#). As part of the strategy, there is a commitment to testing a regional model for planning, commissioning and delivering children's social care placements called Regional Care Co-operatives (RCCs). The Government's long-term vision for RCCs is that they will:

- Plan, commission and deliver children's care places in fostering, children's homes and secure homes.
- Improve forecasting of demand leading to better informed plans; enabling areas to ensure there are sufficient placements and support available to meet the needs of children who are in care.
- Gain economies of scale, in particular around placements for children and young people with multiple, complex needs and in negotiations with providers, to ensure that every pound spent makes the biggest impact possible for children.
- Have greater collaboration with health and justice commissioners to improve services for children in care.
- Reform foster parent recruitment and retention and, where necessary, create new forms of care to meet local need so that more children in care can stay in family environments and closer to home.

**70. Pathfinders:** The DfE would set up two pathfinders to trial an approach to make RCC's work within the current legal framework ahead of bringing forward legislation when parliamentary time allows.

71. The DfE will work with local authorities and other key stakeholders to co-create the pathfinders, with a view to rolling the model out after testing and evaluating the best approach in conjunction with the sector. Both a delivery partner and evaluation partner will be procured to support this work.

### **Monitoring quality and cost through Placement Panel**

72. Placement Panel is held fortnightly and alternately chaired by the Director of Through Care and the senior manager overseeing Quality Assurance and the Independent Reviewing Service for looked after children.

73. Panel membership includes the Virtual School Head, Practice Manager for the Independent Review Service, Care Leavers senior manager, All Age Disability senior manager and the Commissioning Hub Manager.

74. Panel's purpose is to ensure the most appropriate placements and support mechanisms are identified and/or maintained for children whilst seeking to achieve best value. Panel simultaneously seeks to ensure that any such accommodation is only maintained for children whose needs are such where no other arrangement will safely meet their needs. All looked after children placed in external provision are subject to Panel review with their Social Worker, Team Manager and Independent Reviewing Officer.

75. Priority focus is given in the following scenarios:

- where desired placement type was not achieved due to market availability
- external provision weekly costs exceed £9k

- children 12 years of age or under placed in residential provision.
- children placed in residential provision subsequently judged as 'Inadequate' by Ofsted
- children under 16 years placed in unregulated provision.
- children who are 16/17 years of age and subject to Deprivation of Liberty Orders placed in unregulated provision.
- all children placed externally 6 months prior to their eighteenth birthday.
- additionalities to placement cost such as extra staffing.

**76. Year to date we have made the following cost avoidance:**

- Placements forum: £391,335.86 (70 placements)
- Panel: £489,817.55 (32 placements)
- **Total: £881,153.41**

77. An example from a recent Panel in September 2023 relates to a 17-year-old whose complex needs and associated challenging behaviour and risk taking led to multiple placement breakdowns. He is subject to a Deprivation of Liberty Order and was on the cusp of a welfare secure application to the Court. The only provision prepared to offer a placement has been charging a weekly fee of £18,800. Following concerted focus led by the social work team and Outreach service, this young person has successfully engaged in work experience and associated incentives.

78. WCF workers have sought to involve the provider in this engagement, and this has led to a more recent and positive change in behaviour and presentation enabling Panel to advocate a reduction of his high staffing ratio with the provider. From a cost perspective this equates to weekly reduction of £16,800 pw which in turn amounts to cost avoidance of £804k over 12 months.

79. Whilst such dramatic cost reductions are not easily achieved, it is demonstrative of the impact one child's placement costs can achieve within the overall projected budget overspend and of the importance of the services that are in place to support the statutory work of the social worker.

**Monitoring Data and Performance management**

80. A weekly placement tracker is shared with senior management and the Director with full details of each placement, its type, cost and duration. Most pertinently, the tracker enables managers to determine how many new accommodations are made and how many children have ceased care.

81. Patterns such as originating social work teams or influx of safeguarding referrals can be established.

82. A residential tracker is produced each month and shared with senior management, enabling analysis of ages of children placed, their status, their originating placement type, cost of placement and any enhancements to care package.

**83.** Unregulated placements are also reported on weekly to support the tracking and decision-making process already in existence and positively commented upon by Ofsted in their recent inspection. This enables review of any children under 16 years placed in unregulated provision (of which there is currently one child) and children 16-18 years subject to Deprivation of Liberty Orders placed in unregulated provision.

**84.** Consolidation meetings are captured on live dashboards and reported on quarterly. Year 2022/23 resulted in 68% (78 children) maintaining their placements. This avoidance of placement breakdown also avoids the likely increased costs in sourcing an alternative placement for a child subject to multiple placement breakdowns. We can see from the data above the reduction in placement breakdown of children in an existing placement.

**85. Outcomes for children are better when we can keep them at home. There is a need to invest in our child in need of support services to prevent children and young people entering care, where it is safe and in their best interests.**

Tina Russell – DCS and CEO

Chris Bird – Interim Director of Resources

September 2023

## **Appendix 2**

# **Placements for looked After Children – Financial Impact**

**Scrutiny September 2023**



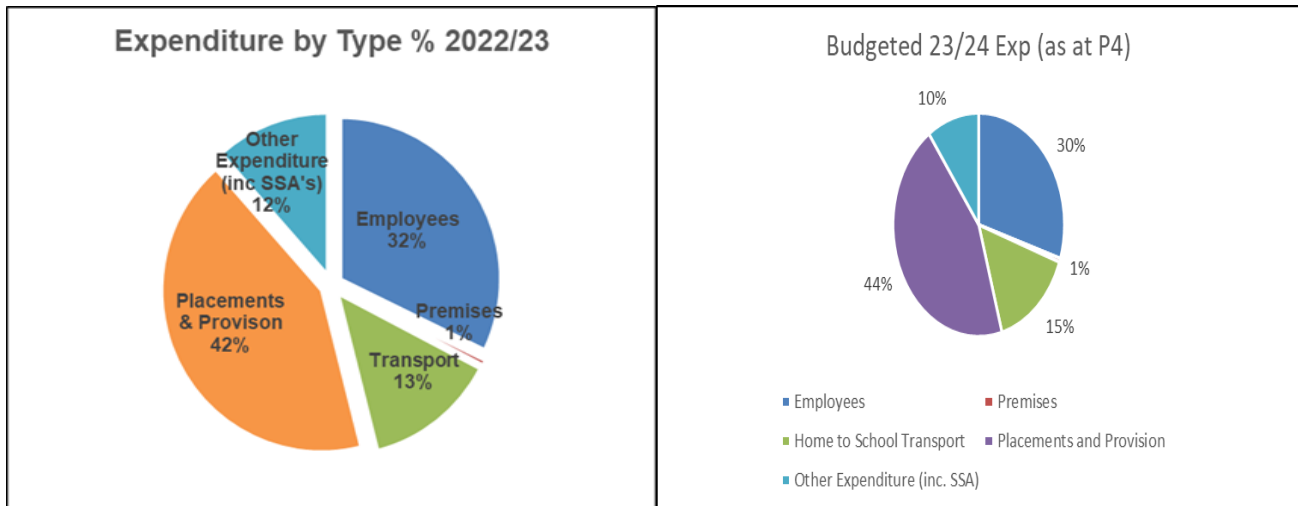
1) Placements Budgets.....3

2) Financial impact on placement costs.....4



## 1) Placements Budgets

1. Our 2023/24 Placements budget represents approx. 44% of the total WCF gross expenditure budget. This is an increase (both in terms of total and %) from 2022/23, where we saw Children’s, Placements account for 42% of total WCF expenditure.



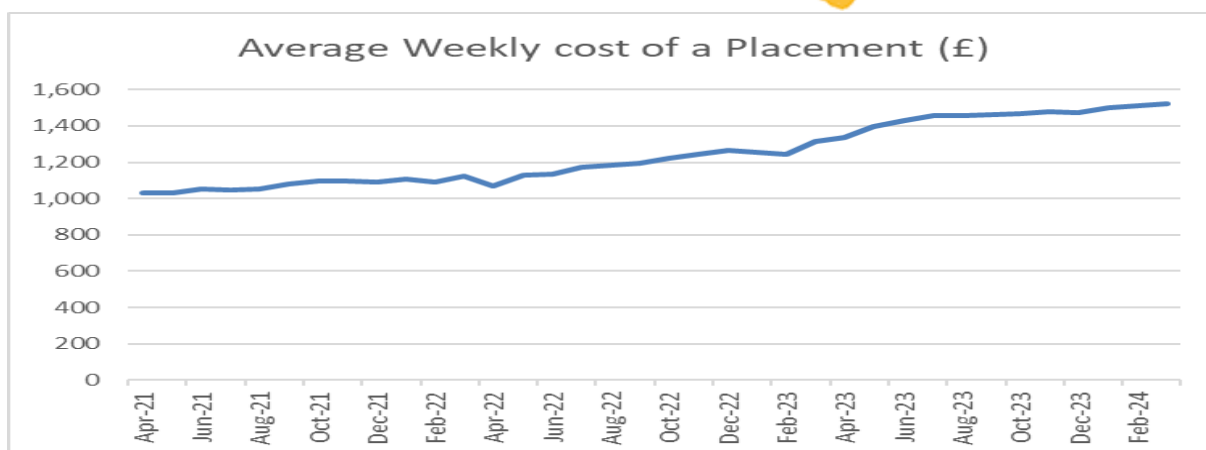
2. The 2023/24 placement budget was set at £65.784m. At Period 4 this budget is forecast to outturn with an overspend of £16m, meaning that effectively children’s placements will account for 50% of WCF gross expenditure. The £2m risk reserve will be fully utilised in order to partially offset this overspend.

### Managing placement spend at best value.

3. Our robust commissioning and management approach (which was subject to an Internal Audit review in 2022/23 with an outcome of substantial assurance) has resulted in cost avoidances, and limited price increases where possible. Despite these efforts, there has been a significant rise in the average cost of a placement since budget setting proposals were drawn up in October 2022.

4. The chart below tracks average weekly costs since April 2021, and shows the increase between the budget setting period (£1,221pw) and now (£1,456pw) – a 19% increase in less than one year. To put this into perspective, in the financial year 2021/22 – which was the most recent WCF surplus – average placement cost increased by only 3% for the whole year.

5. However, the cost of placements nationally has risen substantially due to inflation and very limited availability of placement to meet complex needs which this has been reported in a wide range of research documents including the Care Review and the CNN review of placement provision.



6. The quality of our safeguarding services and relationships with independent providers means that negotiations can be effective as providers will choose WCF in some cases knowing that they will get a good quality and responsive social work intervention for the child placed with them. This is important to providers who are subject to regular Ofsted inspection themselves.

7. What we see in Worcestershire is that the most significant cost pressure is associated with the smallest number of placements. The majority of our placements have been sustained at less than £10k a week.

### Quarter 1 2023-24

- 13 independent placements over £10k. **(3 same period last year)**
- 98.04% placements under £10k **(99.44% last year)**
- 1.96% placements over £10k **(0.56% last year)**

8. The change in spend is linked to the increase in placement numbers, the increasing costs of placements, the rise in the £10k+ placements and an increase in residential numbers (107 in June 22 to 141 in June 23) due to more limited foster placements and a provider market.

9. In conclusion it's clear that the high financial impact of our placements for children in care is our most significant cost pressure and yet outcomes for children in care are generally less positive.

10. **Outcomes for children are better when we can keep them at home. There is a need to invest in our child in need of support services to prevent children and young people entering care, where it is safe and in their best interests.**

## 2) Financial impact on placement costs

11. Placement costs cover a variety of costed care for children who are under the care and support of the local authority. These include financial support allowances for Adopted children, children subject to Special Guardianship and those in supported living leaving care. The table below shows how the spend in each of those areas has changed in the last two years:





	21/22 Spend (£)	22/23 Spend (£)	23/24 Forecast (£)	% change in expenditure over 2 years	Current Lowest Weekly Cost - Aug 2023 (£)	Current Highest Weekly Cost - Aug 2023 (£)
External Residential	25,153,995	31,833,713	44,080,690	75%	2,490.00	15,319
External Fostering Placements	12,143,793	13,541,507	14,906,440	23%	698	2,830
Safe Base, Student Accommodation, and Staying Put	575,912	321,613	317,035	-45%	138	360
External Supported Living and Supported Lodging	1,708,061	4,943,493	7,807,542	357%	215	20,987
Secure	1,444,233	410,879	341,672	-76%	0	0
Youth Reform	87,648	0	16,000	-82%	0	0
UASC (incl. UASC Care Leavers)	1,174,269	2,664,708	3,915,880	233%	215	1,584
In House Fostering (inc. Kinship)	6,271,628	6,340,654	6,516,110	4%	154	917
In House Residential	588,947	428,687	275,285	-53%	2,933	2,933
In House Supported Living (inc. Outreach)	1,363,094	1,432,236	1,714,094	26%	584	584
Special Guardianship Orders	1,107,889	1,181,601	1,337,671	21%	8	415
Child Arrangement Orders	104,538	107,010	99,417	-5%	36	237
Adoption Allowances	201,202	247,820	226,977	13%	12	466
ACE Contract	987,784	1,297,725	1,371,000	39%		
Fostering Teams and Support	1,912,740	2,201,127	1,905,346	0%		
Permanency Team	248,463	309,563	285,939	15%		
<b>Total</b>	<b>55,074,195</b>	<b>67,262,335</b>	<b>85,117,099</b>	<b>55%</b>		

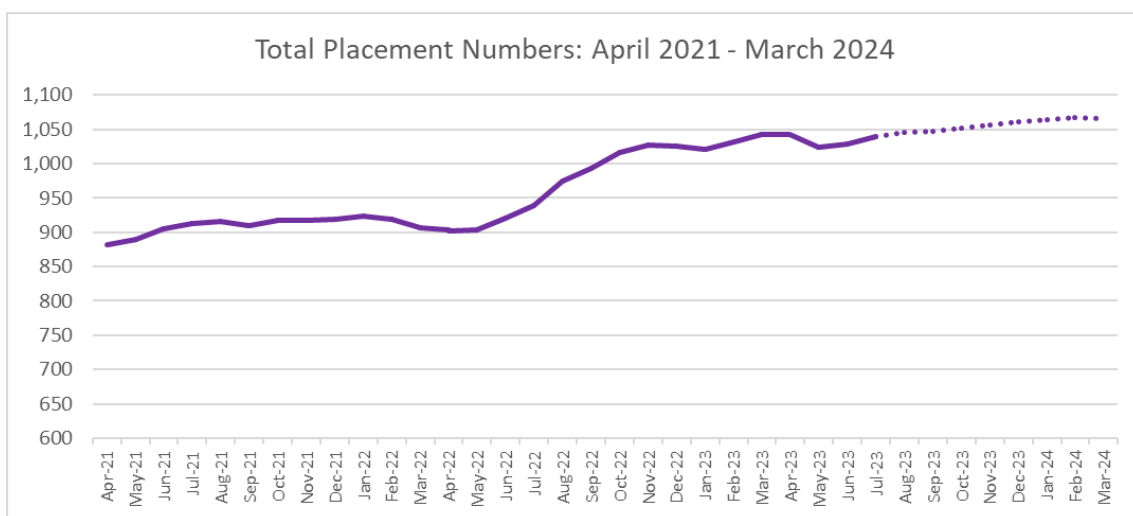
12. Placements is historically a highly volatile area both in terms of costs and demand, and this can make forecasting very difficult. One new high-cost placement can swing the in-year forecast by as much as £1m. The table below shows the breakdown of the placements budget

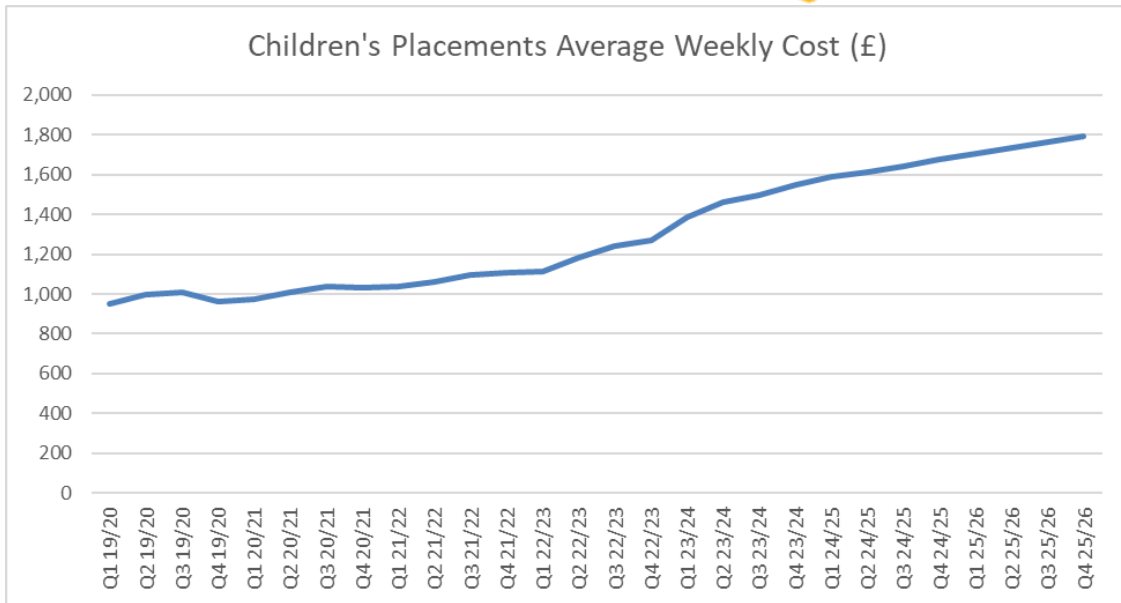
again, this time showing the current numbers and average weekly costs for each placement type. This highlights the difference in price levels across different placements.

	Numbers March 21	Numbers March 22	Current Numbers Aug 2023
External Residential	105	136	145
External Fostering Placements	282	313	308
Safe Base, Student Accommodation, and Staying Put	62	70	59
External Supported Living and Supported Lodging	23	49	49
Secure	3	1	0
Youth Reform	0	0	0
UASC (incl. UASC Care Leavers)	39	101	100
In House Fostering (inc. Kinship)	368	359	360
In House Residential	8	2	2
In House Supported Living (inc. Outreach)	36	39	38
Special Guardianship Orders	189	191	193
Child Arrangement Orders	24	17	17
Adoption Allowances	35	30	30

**Financial Forecasting**

13. Our methodology for forecasting has proved accurate in recent years, though it is not immune to sudden shocks and changes. We use a 12-month rolling data set for forecasting both placement numbers, and average cost, for every single placement type. These are then combined into the forecast used in budget monitoring. The charts below show how we take recorded actual data and then project a forecast trendline:





14. The benefit of using a 12-month rolling trendline is that it does not ‘panic’ and fluctuate too much if there is change one month to the next, as it always considers that change in context of the overall picture of the last 12 months. This means that we do not have our financial forecasts going up and down by millions of pounds each month.

15. Ultimately, since this methodology was adopted in 2019 and used in both budget setting and in-year forecasting, WCF achieved a small budget surplus in the financial years ending 2020, 2021 and 2022. In 2023, we saw a sustained period of growth in numbers and costs outside of historical norms, leading to an overspend in 2022/23 and a forecast overspend in 2023/24.

16. However even in this period, the trendline methodology allowed us to quickly understand what was happening and to forecast appropriately. This is evidenced by the fact that by Period 7 2022/23, we were reporting a £4.9m overspend in placements, compared with the final outturn of £5.0m overspend. In 2023/24, we have been reporting a forecast overspend right from the start of the year as it is apparent that the impact of the cost increases over the previous financial year is set to continue.

Tina Russell – DCS and CEO

Chris Bird – Interim Director of Resources

September 2023

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# Appendix 2 - Budget Monitoring 2023/24 – Forecast Outturn Period 4

## Children and Families Overview and Scrutiny Panel 27<sup>th</sup> September 2023

# Budget Monitoring 2023/24 – Forecast Outturn Period 4

## Corporate Budget Position

# Forecast Outturn 2023/24 - Headlines

- Budget Report to Cabinet on 28 September 2023 summarises the financial position for Council and each of the service areas.
- The overall outturn forecast at Period 4 is for a net overspend of £18.2m after the use of budgeted risk reserves.
- The council has an underlying structural deficit that needs to be addressed due to demand and adults and children's social care and Home to School Transport.
- At budget setting, £7m was identified as likely to be required from reserves (£2m risk for Children's Social Care placements and £5m risk for non-delivery of savings).
- Additional business rates income of £4.1m is also forecast to be received this financial year.
- Applying these mitigations would leave a net forecast overspend of £18.2m.
- Significant pressures in Adults, Childrens and Home to School Transport – price and demand, this position is similar for other Local Authorities.

# Financial Position – Period 4

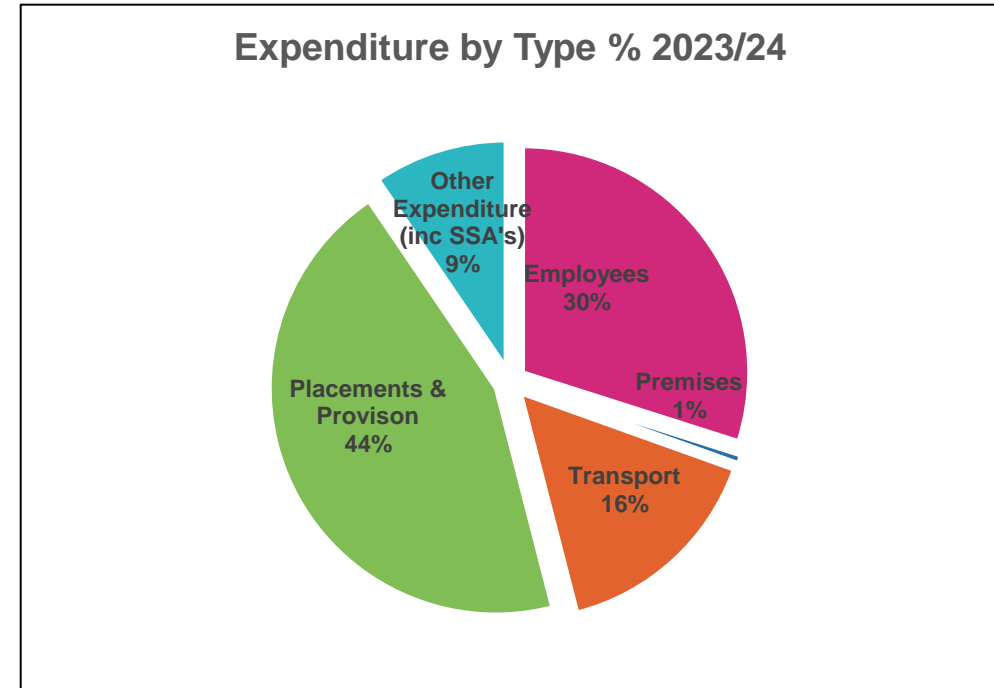
FY 2023/24 P4			
Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	146.417	152.299	5.882
People – Communities	21.596	22.188	0.592
Children’s Services/WCF	111.003	111.003	0.000
Economy & Infrastructure	72.072	72.733	0.661
Commercial & Change	9.690	10.707	1.017
Chief Executive / HR / Finance	3.222	3.237	0.015
Public Health	0.186	0.186	0.000
<b>Total: Service excl DSG</b>	<b>364.186</b>	<b>372.353</b>	<b>8.167</b>
Corporate Items	36.630	35.130	-1.500
Non-assigned items	0.000	0.000	0.000
<b>WCC TOTAL</b>	<b>400.816</b>	<b>407.483</b>	<b>6.667</b>
WCF Total (Including HTST)	145.277	167.956	22.679
<b>WCC &amp; WCF Total Services</b>	<b>546.093</b>	<b>575.439</b>	<b>29.346</b>
<b>Additional Funding:</b>			
Business Rates			-4.100
<b>WCC &amp; WCF Underlying Budget Pressure</b>			<b>25.246</b>
Use of Reserves agreed at Budget Setting			-7.000
<b>Net WCC &amp; WCF Overspend</b>			<b>18.246</b>



# WCF Budget Overview 2023/24

- The full-year WCF expenditure budget is currently £148m of which over half is the 'demand led' budgets of Placements and Home to School Transport.

WCF Budget 2023/24	£000's
Employees	44,220
Premises	825
Transport	22,944
Placements & Provison	65,799
Other Expenditure (inc SSA's)	14,050
<b>Gross Expenditure</b>	<b>147,839</b>
Sales, Fees and Charges	-2,561
<b>WCF Budget / Contract Price</b>	<b>145,277</b>



- At budget setting, it was acknowledged that there were risk areas within the WCF budget, particularly demand-led services such as Home to School Transport and Placements for Looked After Children.
- As a precaution, the Council assigned a £2m risk reserve to mitigate potential overspends

# Forecast Outturn 2023/24 - £22.7m forecast overspend

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	Latest Budget £000	YTD £000	Full-year Projection £000	Variance £000	Variance %	Change since last month £000
WCF Management & Board	935	306	891	-44	-4.71%	-10
Training	184	27	164	-20	-10.87%	0
Resources Teams	4,064	1,178	3,547	-517	-12.72%	-5
Support Service Payments	7,479	1,870	7,479	0	0.00%	0
<b>Resources</b>	<b>12,662</b>	<b>3,381</b>	<b>12,081</b>	<b>-581</b>	<b>-4.59%</b>	<b>-15</b>
CSC Safeguarding Services	10,201	2,973	10,812	611	5.99%	159
Integrated Family Front Door	4,666	1,493	4,633	-33	-0.71%	54
Placements & Provision	65,784	27,690	82,104	16,320	24.81%	1,051
Worcestershire Safeguarding Children Board	94	0	94	0	0.00%	0
CSC Through Care	5,872	1,697	6,148	276	4.70%	12
Early Interventions (ex. Targeted Family Supp)	5,385	1,567	5,119	-266	-4.94%	-15
<b>Social Care</b>	<b>92,002</b>	<b>35,420</b>	<b>108,910</b>	<b>16,908</b>	<b>18.38%</b>	<b>1,261</b>
AAD Staffing	6,733	1,961	6,743	10	0.15%	5
AAD Short Breaks	3,092	524	3,069	-23	-0.74%	6
AAD Placements & Packages	2,298	817	2,569	271	11.79%	10
<b>All Age Disability</b>	<b>12,123</b>	<b>3,302</b>	<b>12,381</b>	<b>258</b>	<b>2.13%</b>	<b>0</b>
Sufficiency & Safeguarding	478	185	657	179	37.45%	0
Quality and Improvement	1,832	406	1,572	-260	-14.19%	0
Vulnerable learners	3,196	816	3,371	175	5.48%	0
<b>Education, Early Years, Inclusion and Place Planning</b>	<b>5,506</b>	<b>1,408</b>	<b>5,600</b>	<b>94</b>	<b>1.71%</b>	<b>0</b>
Home to School Transport	22,477	8,279	28,477	6,000	26.69%	6,000
<b>Home to School Transport</b>	<b>22,477</b>	<b>8,279</b>	<b>28,477</b>	<b>6,000</b>	<b>26.69%</b>	<b>6,000</b>
Youth Offending Services	507	0	507	0	0.00%	0
<b>Youth Offending Services</b>	<b>507</b>	<b>0</b>	<b>507</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>TOTAL</b>	<b>145,277</b>	<b>51,790</b>	<b>167,956</b>	<b>22,679</b>	<b>15.61%</b>	<b>7,247</b>
Contract Income	145,277	60,463	145,277	0	0.00%	0
<b>Projected Surplus/(Deficit) before Corporation Tax</b>	<b>0</b>	<b>8,672</b>	<b>-22,679</b>	<b>-22,679</b>		<b>-7,247</b>

Resources Directorate is projecting increased banking interest income due to current rates of interest, which is £540k of the £581k variance. The remaining variance is due to holding staffing vacancies where possible.

Social Care placements are forecast to be overspent by £16.3m, due to increases in both numbers and costs since budget setting. The current number of placements is 1,039, an 11% rise from the 939 this time last year. However it is inflation on placements costs that is the main driver for the current overspend, where average placement costs have increased by 19% since budget setting (less than one year ago). Our robust commissioning and management approach have resulted in cost avoidances which limited price increases however, this is more challenging in the current economic environment. In other Social Care areas, increased volume of Court Fees and costs of agency cover are causing a small overspend forecast.

In the All-Age Disability Service, staffing teams are broadly on budget, however there are pressures due to high placement costs of CWD Domiciliary Care Packages

There is a small forecast overspend in EEYIPP due to feasibility costs that are not currently forecast to be capitalized.

Home to School Transport is 27% overspent, due to increased provider costs. The service estimates that inflation on transport contracts is currently running at around 10%. There has also been significant increases in the number of families requesting transport.

# Forecast Outturn 2023/24 - £22.7m forecast overspend (Cont'd)

WCF Board have been notified of the forecast overspend. Whilst it is the case that the market and demand pressures in the services that are driving our overspend are likely to continue for some time, the Service must make efforts to reduce the projection as much as possible. This includes (but is not limited to):

- a) Ensuring achievement of planned 2023/24 savings
- b) Holding vacancies wherever possible
- c) Additional scrutiny over use of agency staff to cover vacancies and absence
- d) Seeking to maximise external income
- e) Challenging all non-staffing spend
- f) Continuing our robust commissioning and management approach to children's placements

# Dedicated Schools Grant Outturn 2023/24

DSG year-end position is an overspend of £8.1m with a cumulative deficit of £28.4m at the end of 2023/24, the deficit position at the end of 2024/25 is predicted to be around £37.9m:

2023/24 Budget Monitoring Period 4 - July 2023	Current Budget	Forecast Outturn	Variance	Variance
DSG Blocks	£000	£000	£000	%
Schools	129,735	129,735	0	0.0%
High Needs	74,692	82,836	8,144	10.9%
Early Years	36,265	36,265	0	0.0%
Central	3,333	3,333	0	0.0%
<b>DSG</b>	<b>244,025</b>	<b>252,169</b>	<b>8,144</b>	

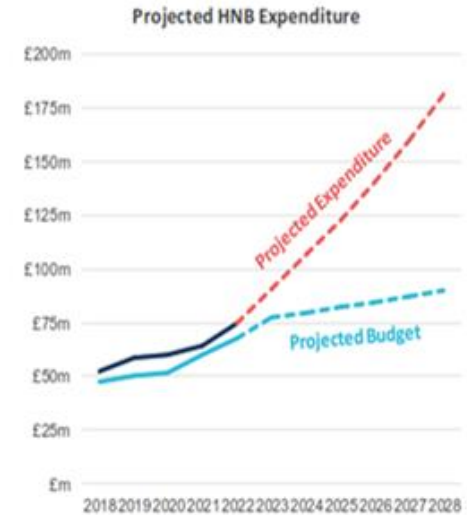
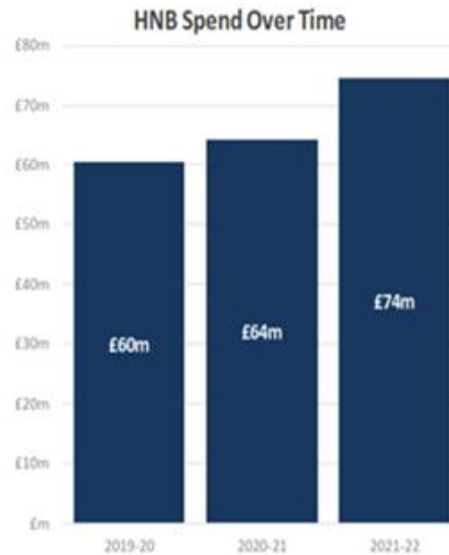
Summary Position for Dedicated Schools Grant	
	£m
Accumulated Deficit 1 April 2023	20.3
High Needs Deficit 2023/24	8.1
Projected Early Years and Schools Block	0.0
Savings on Other Blocks	0.0
<b>Accumulated Deficit 31 March 2024</b>	<b>28.4</b>
Projected Early Years and Schools Block	-0.5
Projected High Needs Shortfall 2024/25	10.0
<b>Projected Accumulated Deficit 31 March 2025</b>	<b>37.9</b>

- DSG allocations are forecast to continue to rise, but at a level below current growth in demand and inflation. The DfE have indicated that High Needs will increase by 4.3% for 2024/25. This would make the Worcestershire High Needs block £77.9m – far below even the current year spend.
- Currently the deficit sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. There is a temporary statutory override to ringfence DSG deficits from councils' wider financial position in their statutory accounts. The Council has not set aside any of its own resources, for example as an earmarked reserve, to specifically offset this accumulating deficit at this point. The High Needs deficit will impact on the council's future financial sustainability once the override ends on 31 March 2026. This is not a Worcestershire County Council issue in isolation and is a major concern amongst local authorities nationally.

- Delivering Better Value in SEND support programme – Worcestershire is one of 55 local authorities.
- We have recently had confirmation of our success for £1m of grant funding for projects that will reduce the future gap.
- The projects resourced will not close the gap – we need to keep an eye on the national picture

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● In Module 1 we identified the areas to prioritise to effect the greatest change in Worcestershire.



HNB expenditure has grown 23% in Worcestershire since FY 19/20 with growth primarily driven by caseload rather than cost.

MSSA, INMSS, Post 16 & FE and Mainstream account for 82% of expenditure.

Unmitigated expenditure is forecast to grow to £180m in 2028.





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# Any questions?