# Education, Children and Families Committee

## 10.00am, Tuesday 15 August 2017

# Looked After Children: Transformation Programme Progress Report

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| **Item number** | 8.5 |
| **Report number** | |
| **Executive/routine** | |
| **Wards** | All |

## Executive summary

Expenditure on Looked After Children (LAC) increased by an average of £1.8m a year from 2007 to 2013 as a result of increases in the number of LAC and increased use of purchased foster carers.

Through use of the Early Years Change Fund and initiatives agreed through the Priority Based Planning process the service has developed a transformation programme to shift the balance of care towards more preventative services that safely reduce the need for children to come into care.

This report provides an update on progress to the end of March 2017 compared to the position at March 2013 as set out in the original report to Corporate Management Team dated 31 July 2013 and subsequently reported to Governance, Risk and Best Value Committee on 25 September 2013.

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## Links

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| **Coalition pledges** |
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The LAC transformation programme is a five year programme which commenced in 2013 and will be entering its final year.

Progress was last reported to the Education, Children and Families Committee in December 2016. Many of the targets had been achieved or exceeded. These included an overall reduction in the LAC population; a reduction in the number of children in foster care; an increase in kinship care placements; and a reduction in the use of secure care.

The service was behind target to reduce the percentage of independent foster placements and reduce use of residential care placements although significant progress had been made since 2013. Analysis of national benchmarking information indicated that this was unlikely to be achieved within timescale. These pressures were taken into account by the Council during the budget setting process for 2017-18.

As a result the service is in the process of developing a new strategy and targets to continue to reduce the need for children to become Looked After taking into account factors such as the rising child population, the implications of implementing Self Directed Support and the Children and Young People (Scotland) Act 2014 and the increases in Unaccompanied Asylum Seeking Children.

# Report

## Looked After Children: Transformation Programme Progress Report

### Recommendations

1.1 Note the progress made to date against the starting position at March 2013 as set out in appendix 1.

1.2 Note the actions in progress to deliver further improvements from the early intervention investment approved in the 2017/18 budget.

1.3 Note that the next update will be provided in December 2017.

1.4 Refer this report to Governance, Risk and Best Value Committee.

### Background

2.1 The number of LAC increased from 1,228 in 2007 to 1,410 in 2013, an increase of 15% or an average of 30 children a year. The cost of this increase is £1.8m each year, a total increase of £10.8m since 2007. The Council had been budgeting for continued annual increases of £1.8m a year from 2013/14 to 2017/18.

2.2 The growth in LAC was primarily accommodated within fostering with an increase in placements from 386 in 2007 to 601 in 2013, an increase of 56%.

2.3 The majority of this growth was with independent fostering providers with the average cost per placement being £46K pa.

2.4 This trend of increasing numbers of LAC and corresponding increase in purchased fostering was reflected at a national level.

2.5 The Scottish Government, in seeing this trend across Scotland, set up the Early Years Change Fund encouraging Local Authorities to implement preventative initiatives designed to reduce the continued growth in LAC and shift investment from expensive intervention measures to early support for families that reduce the need for accommodation and improve outcomes for children and young people.

2.6 In February 2012 the Council approved funding of £8.642m from 2012/13 to 2014/15 for the Early Years Change Fund. The Council's Long-Term Financial Plan built in the continuation of £4.038m per year from 2015/16.

2.7 Through the Priority Based Planning process the service developed a transformation programme to change the balance of care for LAC to take effect from April 2013 and targets were set to March 2018. This includes strengthening universal early years services and providing more support to families to support their children at home.

2.8    LAC can be placed in the following placement types.  The direct cost of each placement type is also shown which gives a context to the variance in rates.  The transformation programme aims to shift the balance of care towards the lower cost placement types:

| Placement type / Client populations | Direct unit cost pa |
|---|---|
| Looked After at Home | Minimal.  Mainly supported through staffing and some preventative services |
| Kinship care | £7K |
| Prospective adoption | £7K |
| In-house foster care | £26K |
| Purchased foster care | £46K |
| Young people's centres and close support | £100K - £150K |
| Residential schools | £100K - £330K |
| Secure care | £290K |

## Main report

### Balance of Care performance to date

3.1    Appendix 1 sets out the client populations, the number at March 2013 and the target and actual number at March 2017.

3.2    Further information about each target will provide an understanding of the actions to date, any issues that have arisen and any actions taken to address ongoing pressures through the 2017/18 budget process.

### Looked After Children (all placements)

3.3    The target is to reduce the rate of annual growth by a third from an average of 30 placements to 20 a year.  The performance is significantly ahead of target as not only has the increase been addressed but overall numbers have reduced by 38 since March 2013.  The reduction in overall LAC numbers is broadly consistent with the national performance over the same period.

3.4    Services designed to stop children needing to become LAC and enabling children to cease being LAC, such as universal Early Years services, parenting support programmes, Prepare, Family Group Decision Making, Multisystemic Therapy,

and the Integrated Family and Household Support service, will continue to focus on supporting children and families to enable them to not require statutory measures. Other new measures designed to contribute towards this are detailed in paragraph 3.30 of the report.

**Foster Care**

**Overall placement numbers**

3.5 Foster placements had increased at an average of 40 a year from March 2007 to March 2013. The target is for there to be no further growth in this population and this is ahead of target with there being a reduction of 23 placements compared to March 2013.

3.6 It should be noted that foster care is also provided on a discretionary basis to former LAC i.e. children who were in a foster placement but are no longer legally classed as Looked After when they reach age 18. As part of throughcare planning for some of these young people a continuation of their foster placement, often whilst attending further education, is agreed. Through the new Continuing Care legislation it will no longer be discretionary to support placements for 18 year olds from April 2017. The Scottish Government will provide additional funding to meet the expected increase in costs as a result of the new legislation.

**The City of Edinburgh Council Foster Care**

3.7 The target is to increase the proportion of foster placements provided by the Council's own carers from 55% at March 2013 to 77% by March 2018. At March 2017 the target is to have reached 73%, however, the service is behind target having achieved 64%.

3.8 Significant progress has been made to increase in-house capacity through carers transferring from independent agencies and providing housing adaptations for existing carers to increase the number of placements they can support.

3.9 Over the 4 years of the LAC Transformation Programme the national positon has changed which has seen a reduction in the percentage of local authority provided foster placements from 75% to 70%. Through the 2017/18 budget process it was acknowledged that it was not possible to achieve 77% by March 2018 and additional funding was provided to meet the expected position. The service is committed, however, to continuing to improve this position and new improvement targets are in the process of being developed.

**Independent Foster Care**

3.10 The target is to reduce the percentage of independent foster placements from 44% at March 2013 to 23% by March 2018. At March 2017 the target is to have reached 27%, however, the service is behind target having achieved 36%.

3.11 Significant progress has been made in this area in the past year. By way of comparison the number of new placements made with independent agencies in 2012/13 was 27% of all new placements. In 2015/16 this had reduced to 18% and in 2016/17 this reduced further to 13%. This has been possible through the actions taken to increase our in-house capacity.

3.12 The service continues to meet with all independent agencies to review pricing, particularly in relation to permanent placements and placements for young people aged 18 and over. The service will continue to challenge pricing where appropriate in order to ensure all charges are justified for each placement.

**Residential Care**

3.13 The target is to reduce residential placements by four a year and at March 2017 the target would be a reduction of 16 since March 2013. The service is behind target by 19 placements.

3.14 The service has been successful in reducing internal capacity and improving occupancy of the remaining units through the closure of Wellington School in 2014, Pentland View in February 2015 and Greendykes Young People's Centre (YPC) in August 2016. The opening of the new Heathervale unit in 2016 and the replacement of Oxgangs YPC in 2017, to a similar design as Heathervale, will provide more flexible accommodation for young people and enable the service to manage some of the young people with exceptional needs.

3.15 The service has carried out an analysis of the use of residential care (including secure care) across Scotland. In 2015/16 the proportion of LAC in residential care was 9.9% nationally compared to 6.3% in Edinburgh. To achieve the 2017/18 target the proportion would have to reduce to 4% of LAC. Through the 2017/18 budget process it was acknowledged that to seek to reduce residential capacity to 4% of the LAC population was not possible if the Council is to meet the needs of the children it has to support. The budget has, therefore, been re-aligned to operate at the current performance of 6.3% of the LAC population.

3.16 The service continues to review all internal and purchased residential placements to minimise their use. Independent reviewing officers chair reviews of LAC placements. In the highest spend cases we have put in place a number of practice evaluation sessions which involve senior management scrutiny of ongoing placements and a new exploration of the alternatives. This is leading to some proposed alternative plans for children but in most cases these will need the agreement of a Children's Hearing as the child's place of residence is named in the conditions attached to a statutory supervision order.

3.17 In addition, all placements are undergoing a re-assessment involving relevant social work and education staff to identify opportunities for returning the children to Council provision. This will include utilising the principles of the Social Care (Self-directed Support) (Scotland) Act 2013 where possible, which seeks to engage parents, carers and extended family in developing a support plan that meets their needs and enables the child to be cared for by them, where it is safe and appropriate to do so.

**Kinship Care**

3.18 The target is to increase kinship placements to 24% of all LAC by March 2018. At March 2017 the position is 23% and is on target. In addition, the number of former kinship carers who have taken out a Section 11 Residence Order giving them parental rights for the child has increased from 169 at March 2013 to 251 at March 2017.

3.19 Over the past few years kinship support services have been put in place which supports approximately 100 placements a year. The Family Group Decision Making Service has also been expanded to provide a service for vulnerable babies across the city and reviewing existing residential placements, and taken together, the expansion of this support to families is seen to be the main reasons for the increases in kinship placements.

3.20 The vulnerable babies project roll out to other areas of the city has had a positive effect on the number of babies needing to become LAC and subsequently being placed for adoption.

**Prospective adoptions**

3.21 The target is to increase the number of prospective adoptions by five in 2013/14 and by 10 from 2014/15.

3.22 This is behind target, however, this is due to the impact of the work of services such as Family Group Decision Making and Prepare enabling more babies to remain with their parents or with kinship carers as in 3.19.

**Secure Care**

3.23 The target is to reduce usage of secure placements from 12 to 6 by March 2015.

3.24 On this basis, a separate report to this Committee was approved on 13 December 2016 to cease referrals to the secure unit on the St Katharine's campus which enabled in-house capacity to reduce from 12 beds to 6 beds.

3.25 However, the service anticipates that there will be a requirement to purchase additional secure placements or alternative forms of independent residential placements on occasion and additional funding to support a maximum of eight beds has been provided should this be required. This is based on the knowledge that the average use of secure care over recent years has been approximately 12 placements at any one time. Additional measures are being taken to further reduce the need for secure accommodation including enhancing support in residential units, providing intensive family support services and maximising the use of Movement Restriction Conditions (electronic tagging).

3.26 Through the 2017/18 budget process it was acknowledged that the service required a secure service that complemented the rest of the residential estate and taken together could support 6.3% of the LAC population.

**Looked After Children at Home**

3.27 The target is to increase the proportion of Looked After children supported at home with their parents from 27% to 29% by 2017/18.  This reflects a gradual increase over time and the benefits of this are that children remain with their parents and do not require higher cost services such as residential, foster and kinship placements.

3.28 At March 2017 the proportion had reduced to 25% due to a significant increase in the number ceasing to be Looked After at all.

3.29 The service continues to have the long-term aim of increasing the proportion of Looked After at home within the LAC population but at this stage welcomes the reduction in the need for children to be Looked After.

**Future strategy**

3.30 The service is in the process of developing a new strategy to reduce the need for children to become LAC.  Significant resources have been identified including £2m agreed by Council for the purposes of early intervention.  Plans include putting in place a council wide workforce development programme on restorative practice; increased provision of Family Group Decision Making, recruitment of host families for unaccompanied asylum seeking children, accelerating the implementation of Self Directed Support for children in need, working with the NHS and schools to improve the identification of and support for children with mental health concerns and enhancing support for foster carers who are caring for children with disabilities.

3.31 The child population of Edinburgh is predicted to rise by approximately 5% between 2016 and 2020, compared to the Scottish figure of 1%, and 11% by 2024.

3.32 The service is considering how best to take this into account in setting targets for future years. It is likely that of the extra children and young people arriving in Edinburgh, a proportion will be in need or at risk and some will need to be Looked After.  It may therefore be appropriate to set targets that are proportionate to the anticipated increased while being both ambitious and achievable.

3.33 The service will make recommendations to the Council in a future report.


## Measures of success

4.1 The programme has the following key measures of success (when compared to the position at March 2013).  The position at March 2017 relative to targets is also given.

The target is for:

4.1.1 Annual growth in total LAC to be reduced by 33% from 2013/14 and at March 2017 this is ahead of target.

4.1.2 No net growth in LAC foster placements from 2013/14 to 2017/18 and performance at March 2017 is ahead of target.

4.1.3 The proportion of foster placements with the City of Edinburgh Council's own carers to increase to 75% by 2017/18. Performance at March 2017 is behind target.

4.1.4 The proportion of foster placements purchased from independent providers to reduce to 25% by 2017/18. Performance at March 2017 is behind target.

4.1.5 The number of residential placements to reduce by 27% by 2017/18. Performance at March 2017 is behind target. Overall performance when compared to the national position is positive with 6.3% of LAC in residential case compared to 9.9% nationally.

4.1.6 The number of LAC placed with kinship carers to increase to 24% of all LAC by 2017/18. Performance at March 2017 is on target.

4.1.7 The number of LAC placed for adoption to increase by 5 in 2013/14 and by 10 a year from 2014/15. Performance at March 2017 is behind target, however, this is due to a reduction in the number of children requiring an adoption placement.

4.1.8 The number of secure placements to reduce by 50% by 2015/16. This is a reduction of six placements and at March 2017 is on target.

4.1.9 The proportion of children Looked After at home to increase to 29% of the total LAC population by 2017/18 and at March 2017 is behind target.

4.2 Through the 2017/18 budget process it was acknowledged that very challenging targets had been set for reducing the number of independent foster placements and residential and secure placements. The 2017/18 budget was set to reflect the expected position as at March 2017. The service is in the process of developing a new strategy and targets for 2017/18 onwards as set out in 3.30 to 3.32.

4.3 It should also be acknowledged that the aim is to achieve the optimum balance between different care types and in certain instances being behind target is mitigated by other areas being ahead of target.

## Financial impact

5.1 The total savings achieved through reduction in usage of residential care and shifting the balance of family based care are approximately £5.3m per year.

5.2 The table below shows the financial impact of the changes in family based LAC placements from March 2013 to March 2017.

| Client population | Number at March 2013 | Number at March 2017 | Movement | Average Cost per place £K | Annual Cost / (Savings) as at March 2017 £K |
|---|---|---|---|---|---|
| CEC foster care | 343 | 377 | 34 | 26 | 884 |
| Independent foster care | 265 | 208 | -57 | 46 | -2,622 |
| Kinship Care | 288 | 320 | 32 | 7 | 224 |
| Prospective adoptions | 39 | 24 | -15 | 7 | -105 |
| **TOTAL** | **935** | **929** | **-6** | | **-1,619** |

5.3 In addition to the above, annual savings of approximately £3.7m have been delivered from the closure of Wellington School, Pentland View Close Support Unit and the merger of Greendykes YPC and Edinburgh Families Project at Heathervale. Re-investment of £1.1m from the Wellington School savings was made within mainstream and special schools.

5.4 The budget for 2017/18 has been set to meet the overall number and mix of LAC placements as at March 2017.

5.5 The Council approved £2m of early intervention and prevention funding for 2017/18 of which £1.442m will be invested in this area with the aim to continue the improvements seen in the four years of the LAC Transformation Programme.

## Risk, policy, compliance and governance impact

6.1 Due to the nature of the client group being supported and the high cost per placement for residential, secure and foster care there will always be a risk that additional pressures may arise. The service is confident, however, that the services and processes in place can minimise the risks of significant additional pressures arising.

## Equalities impact

7.1 It is anticipated that the overall programme will have a positive impact on outcomes for vulnerable children due to the focus on preventative, neighbourhood and family focused initiatives. A record of Equality and Rights Impact Assessment will be published in accordance with agreed Council processes.

## Sustainability impact

8.1    There are no direct sustainability implications arising from this report.  A Sustainability and Environmental Impact Assessment will be published in accordance with agreed Council processes.

## Consultation and engagement

9.1    Where the transformation initiatives require consultation with the trade unions, public or Scottish Government it will be carried out as necessary.

## Background reading/external references

Looked After Children: Transformational Programme Progress Report – Governance, Risk and Best Value Committee 23 September 2015

Looked After Transformation Programme Progress Report – Education, Children and Families Committee 13 December 2016

Early Years Change Fund Progress Update on Year Three – Education, Children and Families Committee 6 October 2015

Implementation of Children and Young People (Scotland) Act 2014 update – Education, Children and Families Committee 13 December 2016

Annual Review of Services for Looked After and Accommodated Children- Report to Education, Children and Families Committee 8 December 2015

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## Links

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| **Coalition pledges** | |
| **Council outcomes** | |
| **Single Outcome Agreement** | |
| **Appendices** | 1    LAC Client populations 2013 v 2017 |

Looked After Children – Client populations 2013 v 2017

| Client populations | Objective | Actual at March 2013 | Actual at March 2017 | Variance from March 2013 | Notes |
|---|---|---|---|---|---|
| Looked After Children (covering all sub-sets below) | To reduce the rate of increase for this population to around +20 for the full year. | 1,410 | 1,372 | -38 | Overall LAC has reduced by 3% against a target of reducing the rate of growth to 8%. |
| Foster Care (CEC and independent) | No growth in overall foster numbers. The net difference for the full year should be 0. | 608 | 585 | -23 | Overall foster numbers have reduced by 4% against a target to remain static. |
| CEC foster Care | To increase the number of placements with CEC Carers. The net difference for the full year should be around +25. | 343 | 377 | 34 | CEC foster care has increased by 10% against a target to increase by 30% |
| Independent foster care | To reduce the number of placements with Independent Carers. The net difference for the full year should be around -25. | 265 | 208 | -57 | Independent foster care has reduced by 22% against a target to reduce by 38% |
| Residential care | To reduce the number of placements. The net difference for the full year should be around -4. | 84 | 87 | 3 | Residential capacity has been reduced and delivered significant savings. Overall usage is broadly the same with greater occupancy percentages. |

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|---|---|---|---|---|---|
| Kinship care | To increase the percentage to 24% of the overall LAC population. The net difference for the full year should be around +15. | 288 | 320 | 32 | Kinship care numbers have increased by 11% against a target to increase by 19%. Over the same period former kinship carers who have taken a S11 order has increased from 169 to 251, an increase of 49%. |
| Prospective adoptions | To increase the number of placements. The net difference for the full year should be around +10. | 39 | 24 | -15 | The number of children being placed for adoption has reduced. This is seen to be due to the success of intervening earlier with families and supporting more children at home and placing more children with kinship carers. |
| Secure care | To reduce the number of placements from 12 to 6 by 2018. | 12 | 9 | -3 | Usage has reduced following the closure of the Guthrie Unit. |
| Looked After Children at Home | To increase the percentage to 29% of the overall LAC population. The net difference for the full year should be around +10. | 379 | 347 | -32 | |