Governance, Risk and Best Value Committee

10am, Thursday, 21 April 2016

Looked After Children: Transformation Programme Progress Report

Item number	7.9
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 reduce the need for children to come into care. This aims to secure better outcomes for children, avoid a continued increase in costs and deliver cashable savings by 2015/16.

This report provides an update on progress to the end of December 2015 against the targets 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.

Links

Coalition pledges	P1
Council outcomes	CO1-CO6
Single Outcome Agreement	SO3

The service is on or ahead of target with the overall number of LAC, the number of LAC in foster care and the number placed with kinship carers. The service is behind target on prospective adoptions but this is mainly due to the increased success in placing children with kinship carers.

The service is behind target on the proportion of foster care placements being provided by the Council's own carers and the number of LAC in residential and secure care. Actions are in place to mitigate these issues where possible.

Looked After Children: Transformation Programme Progress Report

Recommendations

1.1 Note the progress made to date against the targets as set out in appendix 1.

1.2 Note the actions in progress to achieve the targets to March 2018.

1.3 Note that the next update will be provided in September 2016.

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 each authority to identify funding for a minimum of three years from 2012/13. This was to implement preventative initiatives designed to reduce the continued growth in LAC and shift investment from expensive intervention measures such as purchased fostering, residential care and secure care to early years, pre-school and early intervention 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. Services developed through the Early Years Change Fund are being reviewed through the Council's Transformation Programme and proposed move to a locality model.

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. The targets reflect the objectives of the Early Years Change Fund to shift investment from expensive care arrangements to early intervention whilst improving the outcomes for LAC.

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 - £310K
Secure care	£275K

Main report

Balance of Care targets

3.1 Appendix 1 sets out the client populations, the objective, and the target placement numbers as at 31 March for each year 2014 to 2018. The target, actual and variance as at 31 December 2015 is also shown. An indicator is shown to indicate if the performance to date is on or ahead of target (green), behind target (red) or whether performance is not displaying a trend and is therefore uncertain (amber).

3.2 Further information about each target will provide an understanding of the actions to date, any issues that have arisen and actions being taken to ensure future targets are achieved.

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 ahead of target with a positive variance to target of 48 as at December 2015. This reflects an increase of just 14 placements since March 2013.

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 and Family Solutions, will continue to focus on supporting children and families to enable them to not require statutory measures.

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 in relation to LAC this is on target.

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.

3.7   In the meantime work is currently taking place to review all placements for former LAC to ensure their continuation is justified under the current legislation.

The City of Edinburgh Council (CEC) Foster Care

3.8   The target is to increase CEC foster placements by 25 a year, with an equivalent reduction in independent placements, and at December 2015 the target would be an increase of 69. The service is behind target by 45 placements although there has been an increase of 24 placements since December 2014 which has been encouraging and is an indication that the actions being taken are resulting in growth.

3.9   Actions taken recently that are expected to further improve this position are:

3.9.1   19 carers from independent agencies are in the process of transferring to become CEC carers. 9 will have been approved by the end of March 2016,

3.9.2   From April – December 2015 there has been a net increase of 12 CEC foster carers. This is a significant increase on the previous year where there was a net decrease of 4 due to an increased number of de-

registrations primarily due to carer retirement. On average every carer provides 1.5 placements and therefore placement capacity has increased by approximately 18 places.

3.9.3　A carer capacity exercise was carried out in summer 2013 where approximately 160 existing foster carers were interviewed to discuss their willingness to take additional placements and identify the support required to enable this to happen. This has resulted in 13 carers being prepared to offer up to 19 additional placements if adaptations to their property can be made to increase the number of bedrooms and bathrooms. This is now being progressed using Early Years Change Fund funding and all adaptations are nearing completion.

3.9.4　Improvements in information and processes for new carer enquiries have produced efficiencies in the assessment of carers which may contribute to an increase in approval rates.

Independent Foster Care

3.10　The target is to reduce independent foster placements by 25 a year and at December 2015 the target would be a reduction of 69. The service is behind target by 46 placements. However, there has been a reduction of 16 placements since December 2014 which is encouraging as it demonstrates that the Council is reducing the level of new placements.

3.11　By way of comparison the number of new placements made with independent agencies in the period April – December 2015 is significantly lower than in the previous three years. In 2012 the number was 84 and this has fallen to 39 in 2015, a reduction of over 50%. If this can be maintained over the next 12 months the increase of 24 CEC placements seen in the previous 12 month period may be repeated.

3.12　This position is expected to continue to improve as the impact of the measures detailed in 3.9 above is delivered. The extra capacity should enable the reduction in referrals to independent agencies to be maintained and improve the performance against this target.

3.13　The financial impact of the shortfall in placement reductions for the period April 2013 to March 2015 was covered through the 2015/16 budget process with additional funding of £800K being provided to cover the shortfall in savings on an ongoing basis.

3.14　In January 2015 the service met 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

3.15   The target is to reduce residential placements by four a year and at December 2015 the target would be a reduction of 11 since March 2013. The service is behind target by 14 placements.

3.16   The shortfall has been caused by increasing demands for independent residential school placements for children with exceptional needs. Expenditure in 2013/14 was £3.8m but this increased to £4.4m in 2014/15 and is forecast to be approximately £5.4m in 2015/16.

3.17   The service has been successful in reducing demand for internally provided placements through the closure of Wellington School in 2014 and Pentland View in February 2015. Further reductions to the residential estate are budgeted in 2017/18 following the opening of the new Heathervale unit in 2016 and the increased flexibility this will bring. The replacement of Oxgangs Young People's Centre in 2017, to a similar design as Heathervale, will also provide more flexible accommodation for young people and enable the service to manage some of the young people with exceptional needs.

3.18   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.

3.19   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

3.20   The target is to increase kinship placements by 15 a year and at December 2015 the target would be an increase of 41. The service is ahead of target by 21 and has already achieved the 2017/18 target of 24% of LAC placements being with kinship carers.

3.21   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, including a pilot on vulnerable babies in South West neighbourhood 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.

3.22   The vulnerable babies pilot has operated within South West neighbourhood since February 2014. The initial results suggest there has been a positive impact in enabling more babies to either not need to become LAC or be supported with kinship carers. This pilot will continue to be monitored and possible roll outs to other areas of the city will be considered if it is felt it will have a positive effect on the number of babies needing to become LAC and subsequently being placed for adoption.

Prospective adoptions

3.23   The target is to increase the number of prospective adoptions by five in 2013/14 and by 10 from 2014/15. This is to address the gap between the number of children where adoption is seen as being in the best interests of the child and the number being adopted.

3.24   The number of children placed with prospective adopters in 2014/15 reduced by 42% compared to 2013/14. The position has increased during 2015/16 but is still a reduction of 26% on 2013/14 levels. This is a result of the reduction of children being identified where adoption is in their best interests. The work of Family Group Decision Making and Prepare is felt to be instrumental in this as their work aims to support more babies to remain with their parents or with kinship carers.

3.25   It is too early to say if this reduction will be maintained as it depends mainly on the stability of kinship placements being maintained. The service is monitoring the success of kinship placements for babies as this is the population that in the past has been the most likely to require adoption.

Secure Care

3.26   The target is to reduce usage of secure placements from 12 to six by March 2015. At December 2015 the number of secure placements is 13 which is seven short of the target.

3.27   There was a significant increase in the number of secure referrals in 2014/15 with an increase of 85% on 2013/14 levels. Unfortunately this increase has been maintained in 2015/16.

3.28   The service will seek to sell remaining capacity when demand arises but the main target is to keep Edinburgh usage at six beds enabling the eventual reduction in capacity from 12 to six beds.

3.29   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).

3.30   Through analysis of secure admissions it can be seen that the large majority enter from a residential unit. The service is, therefore, preparing to undertake an extensive review of all aspects of Communities and Families services in order to intervene earlier in cases that result in residential care. Utilising the principles of GIRFEC and Self Directed Support the service will seek to support more young

people within their families, schools and communities to avoid the need for residential care which in turn should reduce the subsequent demand for secure care. This work will be undertaken during 2016/17 as part of the implementation of the Children and Young People (Scotland) Act 2014 utilising funding provided by the Scottish Government.

Looked After Children at Home

3.31 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.

3.32 At December 2015 the proportion had reduced to 23% due to a significant increase in the number ceasing to be Looked After at all.

3.33 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.

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 December 2015 relative to targets is also given. Appendix 1 displays the targets to 2017/18 along with targets and performance as at December 2015.

The target is for:

4.1.1 Annual growth in total LAC to be reduced by 33% from 2013/14 and at December 2015 this is ahead of target.

4.1.2 No net growth in LAC foster placements from 2013/14 to 2017/18 and performance at December 2015 is on target.

4.1.3 The number of LAC foster placements with the City of Edinburgh Council's own carers to increase by 25 a year from 2013/14 to 2017/18, a total increase of 125 placements. Performance at December 2015 is behind target.

4.1.4 The number of foster placements purchased from independent providers to reduce by 25 a year from 2013/14 to 2017/18, a total reduction of 125 placements. Performance at December 2015 is behind target.

4.1.5 The number of residential placements to reduce by 27% by 2017/18. This is a reduction of 24 placements. Performance at December 2015 is behind target.

4.1.6 The number of LAC placed with kinship carers to increase to 24% of all LAC by 2017/18. Performance at December 2015 is ahead of target.

4.1.7   The number of LAC placed for adoption to increase by five in 2013/14 and by 10 a year from 2014/15. Performance at December 2015 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 December 2015 is behind 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 December 2015 is behind target.

4.2   Where targets are not being achieved actions are being taken to address this and further details are included in the main report.

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 financial impact of the variances to target are shown in the table below.

Client population	Target – December 2015	Actual – December 2015	Variance – December 2015	Average Cost per placement £K	Variance to target – December 2015 £K
CEC foster care	412	367	-45	26	(1.170)
Independent foster care	196	242	46	46	2.116
Residential care	73	87	14	160	2.240
Kinship Care	329	350	21	7	0.147
Prospective adoptions	49	32	-17	7	(0.119)
Secure care	6	13	7	275	1.925
Sub-total					**5.139**
Adjustments					
Additional fostering funding provided to cover 2013/14 and 2014/15 shortfall					(0.800)
Secure care financial target (see note below)			-2	275	(0.550)
Total adjustments					**(1.350)**
TOTAL					**3.789**
Note: the target for secure care is to operate at no more than six placements, however, financially the budget is currently set to enable eight placements to be provided.					

5.2 The service has identified savings from other areas to cover the pressure in 2015/16.

5.3 The service is currently assessing the potential impact of the pressure in 2016/17, taking into account the actions detailed in the main report to address the pressures on independent foster care, residential care and secure care.

5.4 The service is committed to identifying alternative savings to address any residual pressure in 2016/17.

5.5 It should be noted that the success in maintaining overall foster numbers at the March 2013 level, compared to average increases of 40 a year at an annual cost of £1.8m in the previous six years, has delivered an estimated avoided annual cost of approximately £5m a year as at December 2015. This is the additional annual cost the service would have incurred if increases had remained at the 2007 - 2013 level.

Risk, policy, compliance and governance impact

6.1 The top five risks identified are detailed in Appendix 2. The actions detailed in this report seek to mitigate the risks. Where there is a financial impact of a target not being achieved the service is committed to identifying alternative savings.

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](#)

[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 – Education, Children and Families Committee 6 October 2015](#)

[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

Coalition pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care
Council outcomes	CO1 – Our children have the best start in life, are able to make and sustain relationships and are ready to succeed
	CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities
	CO3 – Our children and young people in need, or with a disability, have improved life chances
	CO4 – Our children and young people are physically and emotionally healthy
	CO5 – Our children and young people are safe from harm or fear of harm, and do not harm others within their communities
	CO6 – Our children and young people's outcomes are not undermined by poverty and inequality
Single Outcome Agreement	SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	1 LAC Transformation Programme performance reporting as at December 2015
	2 LAC Transformation Programme Risk Register

Looked After Children – Balance of Care targets 2013/14 - 2017/18

Appendix 1

| Client populations | Objective | Lead Officer(s) | Target at March: | | | | | Position as at: | | | December 2015 |
			2014	2015	2016	2017	2018	Target	Actual	Diff.	Status
Looked After Children (covering all sub-sets below)	To reduce the rate of increase for this population to +20 or less for the full year.	Becky Cropper, Team Manager, Family Solutions	1,433	1,456	1,477	1,498	1,519	1,472	1,424	-48	🟢
Foster Care	No growth in overall foster numbers. The net difference for the full year should be 0.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	608	608	608	608	608	608	609	+1	🟡
CEC foster Care	To increase the number of placements with CEC Carers. The net difference for the full year should be +25 or more.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	368	393	418	443	468	412	367	-45	🔴
Independent foster care	To reduce the number of placements with Independent Carers. The net difference for the full year should be -25 or more.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	240	215	190	165	140	196	242	+46	🔴
Residential care	To reduce the number of placements. The net difference for the full year should be -4 or more.	Andy Jeffries, Service Manager for Practice Teams	80	76	72	68	64	73	87	+14	🔴
Kinship care	To increase the percentage to 24% of the overall LAC population. The net difference for the full year should be +15 or more.	Gillian Christian, Team Manager, Family Group Decision Making	303	318	333	348	363	329	350	+21	🟢
Prospective adoptions	To increase the number of placements. The net difference for the full year should be around +5.	Russell Sutherland, Team Manager, Permanence Team	44	49	49	49	49	49	32	-17	🟡
Secure care	To reduce the number of placements from 12 to 6 by 2018.	Carole Murphy, Multisystemic Therapy and Steve Harte, Young Peoples Service	9	6	6	6	6	6	13	+7	🔴
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 +10 or more.	Becky Cropper, Team Manager, Family Solutions	389	399	409	419	429	407	333	-74	🟡

Looked After Children Transformation Programme
Risk Register - Top 5 Risks

Risk Reference	Description of risk and implications	Likelihood	Impact	Inherent Risk	Action Plan	Likelihood	Impact	Residual Risk
1	The demand for independent residential school placements continues at current levels. **Implication** - the budgeted savings target of £1.8m a year by 2017/18 is not achieved in full.	8	8	64	Early intervention services within care and education continue to be developed to support children within the Council's own resources. Independent foster providers are approached to discuss the scope of specialist placements being made available for children at risk of residential school. Mandatory referrals to Family Group Decision Making to identify any possible kinship carer opportunities. Further enhanced gatekeeping processes to ensure all options are explored prior to any new approvals. Actively reviewing all current placements to seek to identify alternative options in Edinburgh. The recent Case Evaluation process is expected to return up to 5 placements by August 2016. The principles of Self Directed Support are utilised for children at risk of accelerating to residential care.	5	8	40
2	The demand for residential services does not reduce from existing levels. **Implication** - the budgeted savings target of £1.5m a year by 2017/18 is not achieved in full.	8	8	64	Early intervention services within care and education continue to be developed to support children within less costly forms of care. Mandatory referrals to Family Group Decision Making to identify any possible kinship carer opportunities. Independent foster providers are approached to discuss the scope of specialist placements being made available for children at risk of residential school. The principles of Self Directed Support are utilised for children at risk of accelerating to residential care.	5	8	40
3	Sufficient CEC foster care capacity for the target groups is not achieved. **Implication** - there is insufficient capacity available to place new children requiring a foster placement, therefore, requiring an independent placement to be purchased. The annual value of net savings budgeted is £2.9m by 2017/18 and this would not be achieved in full.	7	8	56	Conduct a full review of foster care recruitment and retention processes. Work with other authorities to reduce the timescals for recruiting foster carers through sharing preparation groups. Continue to actively recruit carers currently with independent agencies. Work with other authorities on the transfer of their placements with independent agencies where the carers can offer further placements to Edinburgh.	5	8	40
4	The demand for secure placements does not reduce to the target level, which is based on the national average for a city of Edinburgh's size of population. **Implication** - the budgeted savings target of £1.0m a year is not achieved in full.	7	7	49	Early intervention services within care and education continue to be developed to support children within less costly forms of care. Actively risk managing cases including piloting the new Missing Persons Protocol with Police Scotland. Enhancing use of MRC's (tags) as an alternative to secure care. The Acting Director of Communities and Families has instructed a strategic review of the use of secure accommodation.	5	7	35
5	There is an insufficient number of existing foster placements with independent agencies ceasing enabling the overall number to reduce. **Implication** - savings are based on 25 placements a year ceasing that are not replaced with new placements. The annual value of net savings budgeted is £2.9m by 2017/18 and this would not be achieved in full.	5	8	40	Existing foster placements are reviewed by practice team social workers on a regular basis to ensure the placement is still necessary for the child. Requests for permanent placements from the independent agencies are scrutinised to ensure they are in the best interests of the child and no suitable alternative to foster care is available. Continue to actively recruit carers currently with independent agencies. Work with other authorities on the transfer of their placements with independent agencies where the carers can offer further placements to Edinburgh.	4	8	32

Guidance for Assessing Impact and Likelihood of Risk

Risks are scored using the traffic light system
The impact and likelihood are assessed and multiplied to achieve the risk score

High Risk
Medium Risk
Low Risk

'Likelihood' Scoring		Chance of Occurrence	'Impact' Scoring		Effect on Outcomes
1	Rare	Hard to imagine, only in exceptional circumstances	1	Negligible	Minimal effect
2			2		
3	Unlikely	Not expected to occur, unlikely to happen	3	Minor	Minor short term effect
4			4		
5	Possible	May happen, reasonable chance of occuring	5	Moderate	Part failure to achieve outcomes
6			6		
7	Likely	More likely to occur than not	7	Major	Significant failure to achieve obligations
8			8		
9	Almost Certain	Hard to imagine not happening	9	Catastrophic	Unable to fulfil obligations
10			10		