

10am, Tuesday 13 December 2016

Looked After Children: Transformation Programme Progress Report

Item number

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 September 2016 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.

The service has identified one off measures in 2016/17 to mitigate the financial implications of the areas behind target. Work is ongoing to develop sustainable alternative savings in 2017/18 where targets are not expected to be delivered.

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 deliver further improvements towards the March 2018 target.
- 1.3 Note that sustainable alternative savings are currently being developed to address the forecast shortfall against targets in 2017/18.
- 1.4 Note that the next update will be provided in June 2017.
- 1.5 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. 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. 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 | £290K |

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 30 September 2016 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 115 at September 2016. The target allowed for some growth, however, there has been a reduction in the number of placements of 37 compared to 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 the newly created Integrated Family and Household Support service, 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 this is ahead of target with there being a reduction of 34 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.
- 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 the proportion of foster placements provided by the Council's own carers to 77% by March 2018. At September 2016 the target is to have reached 71%, however, the service is behind target having achieved 62%.
- 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. 19 will have been approved by the end of March 2017.
 - 3.9.2 From April – December 2016 there has been a net increase of 45 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 67 Places, but some of these will offer respite care.

- 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 enquires 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 the percentage of independent foster placements to 23% by March 2018. At September 2016 the target is to have reached 29%, however, the service is behind target having achieved 38%.
- 3.11 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% which has been enabled by the improvements in recruiting and supporting the Council's own carers. Performance to date in 2016/17 indicates a further improvement to 15%.
- 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 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

- 3.14 The target is to reduce residential placements by four a year and at September 2016 the target would be a reduction of 14 since March 2013. The service is behind target by 18 placements.
- 3.15 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 £5.6m in 2015/16. The current forecast for 2016/17 is expenditure of £4.9m. The service has estimated it will require a budget of £4.4m for this area in 2017/18 which is £1.4m over the budget available.

- 3.16 The service has been successful in reducing demand for internally provided placements 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 Oxfgangs 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.
- 3.17 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. This reflects the impact of measures taken to date as set out above. To achieve the 2017/18 target the proportion would have to reduce to 4% of LAC. Further reductions to the residential estate budgeted in 2017/18 are now assessed as not being deliverable if the Council is to maintain sufficient capacity to meet the needs of the children it has to support. This will, however, result in a shortfall against approved savings for 2017/18.
- 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 to 24% of all LAC by March 2018. At September 2016 the target is 23% and the actual figure is 24% which shows the service has already achieved its March 2018 target.
- 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 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.

- 3.22 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

- 3.23 The target is to increase the number of prospective adoptions by five in 2013/14 and by 10 from 2014/15.
- 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 6 by March 2015. At September 2016 the number was nine and this has since reduced to five in November. This is one ahead of target.
- 3.27 On this basis, a separate report to this Committee is seeking approval to cease referrals to the secure unit on the St Katharine's campus.
- 3.28 The service will seek to sell any remaining capacity when demand arises but the main target is to keep Edinburgh usage at six beds to sustain reduction in capacity from 12 to 6 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). However, the service anticipates that there will be a requirement to purchase additional secure placements or alternative forms of independent residential placements on occasion. 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. Current planning assumptions are based on the service requiring additional funding of £1m a year to meet these requirements.

Looked After Children at Home

- 3.30 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.

- 3.31 At September 2016 the proportion had reduced to 25% due to a significant increase in the number ceasing to be Looked After at all.
- 3.32 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 September 2016 relative to targets is also given. Appendix 1 displays the targets to 2017/18 along with targets and performance as at September 2016.

The target is for:

- 4.1.1 Annual growth in total LAC to be reduced by 33% from 2013/14 and at September 2016 this is ahead of target.
- 4.1.2 No net growth in LAC foster placements from 2013/14 to 2017/18 and performance at September 2016 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 September 2016 is behind target.
- 4.1.4 The proportion of foster placements purchased from independent providers to reduce to 25% by 2017/18. Performance at September 2016 is behind target.
- 4.1.5 The number of residential placements to reduce by 27% by 2017/18. Performance at September 2016 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 September 2016 is ahead of 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 September 2016 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 September 2016 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 September 2016 is behind target.
- 4.2 Where targets are not being achieved actions are being taken to address this where possible 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. The net impact of performance against targets is a pressure of £2.2m in 2016/17.

| Client population | Target – September 2016 | Actual – September 2016 | Variance – September 2016 | Average Cost per place £K | Variance to target – September 2016 £K |
|--|-------------------------|-------------------------|---------------------------|---------------------------|--|
| CEC foster care | 431 | 367 | -76 | 26 | (1.976) |
| Independent foster care | 178 | 219 | 41 | 46 | 1.886 |
| Residential care | 70 | 88 | 18 | 160 | 2.880 |
| Kinship Care | 341 | 327 | -14 | 7 | (0.098) |
| Prospective adoptions | 49 | 33 | -16 | 7 | (0.112) |
| Secure care | 6 | 9 | 3 | 290 | 0.870 |
| Sub-total | | | | | 3.450 |
| Adjustments | | | | | |
| Additional fostering funding provided to cover 2013/14 and 2014/15 shortfall | | | | | (0.800) |
| Approved saving on adoption allowances due to reduced demand | | | | | 0.100 |
| Secure care financial target (see note below) | | | -2 | 275 | (0.550) |
| Total adjustments | | | | | (1.250) |
| TOTAL | | | | | 2.200 |
| Note: the target for secure care is to operate at no more than six placements; however, in the current operational configuration of 12 beds being provided by the Council financially the budget is set to enable eight placements to be used by the Council and four sold to other authorities. | | | | | |

- 5.2 The service has identified savings from other areas to cover the pressure in 2016/17.
- 5.3 The service has undertaken an assessment of the potential impact of the pressure in 2017/18, taking into account the mitigating actions detailed in the main report and the further approved savings of £1.9m in 2017/18, and has identified a pressure of £4.5m for which alternative savings are being developed.
- 5.4 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 £6.3m a year as at September 2016. 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 significant risks associated with the transformation programme are reflected in the report and a resultant £4.5m pressure in 2017/18 has been identified. 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](#)

[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

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|---------------------------------|---|
| 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 2016 |

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

| Client populations | Objective | Lead Officer(s) | Target at March: | | | | | Position as at: September 2016 | | | |
|---|--|---|------------------|-------|-------|-------|-------|--------------------------------|--------|-------|---|
| | | | 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 | 1,488 | 1,373 | -115 |  |
| 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 | 574 | -34 |  |
| 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 | 431 | 355 | -76 |  |
| 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 | 178 | 219 | +41 |  |
| 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 | 70 | 88 | +18 |  |
| 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 | 341 | 327 | -14 |  |
| 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 | 33 | -16 |  |
| 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 | 9 | +3 |  |
| 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 | 414 | 342 | -72 |  |