

**BUDGET & FINANCE SCRUTINY COMMITTEE, JOINT MEETING WITH
CHILDREN & YOUNG PEOPLE SCRUTINY COMMITTEE**

**Minutes of a meeting of the Budget & Finance Scrutiny Committee held at
6.30pm on Tuesday, 22nd October 2013 in Meeting Room 3, Darby House,
Telford.**

PRESENT: Councillors S. Reynolds (Chair Budget & Finance), M. Ion (Chair Children & Young People), N. Dugmore, R. Evans, K. Guy, A. Lawrence, C. Mollett, J. Pinter, G. Reynolds, and Co-optees A. Atkinson, F. Robinson and R. Williams.

Also attending: Cllr. W. McClements, Cabinet Member Finance & Enterprise; Cllr. P. Watling, Cabinet Member Children, Young People & Families; L. Johnston, Director Children and Family Services; S. Jones, Scrutiny Officer.

BFSC-19 MINUTES

RESOLVED – that the minutes of the meeting of the Budget & Finance and Co-operative & Communities Scrutiny Committees held on 3rd September 2013 be confirmed and signed by the Chairman.

BFSC-20 APOLOGIES FOR ABSENCE

Cllrs. K. Austin, G. Green and Co-optee S. Rayner

BFSC-21 DECLARATIONS OF INTEREST

None

BFSC-22 EARLY HELP AND SAFEGUARDING COST IMPROVEMENT PLAN

The Chair invited the Director to talk through the report on savings from the Cost Improvement Plan circulated as Appendix B1.

The report showed savings made in the four objective areas in the Cost Improvement Plan (CIP) to the end of August 2013 which were also reflected in the Children in Care Performance Dashboard circulated as Appendix B2.

1. Recruitment and Retention

The main overspend had been due to over-reliance on agency social workers. This had been tackled over the long term by recruiting NQs and training them up. The CIP target for agency social workers in April 2013 was 6, there had been 7.5 (variance of 1.5). The target for September 2013 was 3, there were 5 (variance of 3). It was still hoped that the target of none by March 2014 would be achieved.

There had been some issues with staff movement and maternity leave which had been absorbed without using agency staff. Cllr. Watling said there was a dual outcome from this stability – for the budget and for the children in care. It was not the same everywhere; other authorities still had a huge number of agency staff and he was pleased that the work force had been developed in Telford & Wrekin so that there were very few agency workers and that social workers wanted to work for Telford & Wrekin and to stay here. This was very positive. The Director said £275k had been saved from pulling back on agency social workers.

Points raised by members were:

- Cllr. Ion asked if the target should be “no more than x” rather than zero because realistically there would always be some need for agency cover. The Director disagreed – there had been agreement to recruit above establishment numbers and offer posts to the 5 Step Up to Social Work graduates to build in additional capacity. Cllr. Ion said the reduction in agency staff and the savings were good, but he felt zero was an ambitious target and questioned whether it was sustainable. Cllr. McClements said there would be changes with people leaving or taking maternity leave but additional capacity had been built into the establishment and this was cheaper than using agency staff who were double the cost. Cllr. Watling felt it was right to be ambitious and make Telford & Wrekin a good place to work. Cllr. Ion continued questioning whether the cost of additional staff would make the budget less sustainable over the long term. The Director said in the past services had run without agency staff and there had been quality issues associated with using agency staff.
- Cllr. Dugmore asked if agency staff could be used to manage the budget better. The Director said if you work out the average permanent need, it was cheaper and better to have a full permanent staff and better for managing the budget. Permanent staff were better, and half the price, and the need now was to reduce the caseload. Cllr. Watling said there had been a discussion at the regional Children & Young People Improvement Board about the option of authorities setting up their own community agency to avoid agency overhead costs and to quality assure agency staff. Cllr. Dugmore again asked if the budget could be managed better by using agency staff with no overheads for peak workloads. The Director said the staffing level was worked out projecting demand over the year and there was a fine balance. The service had not had the best experience with agency social workers. Regionally authorities were looking at the price of agency staff, how to share quality assurance information and how to reduce agency staff but still have a flexible service.
- Cllr. Guy asked whether there would be a surplus of staff hours if all the social workers were in, and the Director said the social workers were never all in and the additional staff had been brought in to meet demand.
- Cllr. Ion remained concerned about the zero target, and whether the additional capacity would build in extra cost over the long term and suggested that this was something that should be looked at.

2. Placement Strategy

This was about reducing the number of children in residential care as this would have the biggest hit on reducing costs. The report showed they were failing to get the numbers down. The CIP target was to reduce residential placements to 40 by April 2013, 32 by March 2014 and 30 with placement with the contract carer. The number was running consistently at 45 so the target was being missed. The savings column showed just under £1m would be saved by reducing to 32. Five young people had been stepped down from residential to foster care at a saving of £752k, but there had been 12 new admissions which had swallowed up the saving. The table was set out to reflect the work that was being done to move the young people out of residential care, but also to show new admissions.

Points raised by members were:

- Cllr. McClements said he was not a scrutiny member but wanted to ask if the new residential admissions were teens and if so, why. The Director said the majority were teens but there were a couple of younger children which was very unusual. They were mainly young people with severe psychological damage placed in highly therapeutic settings. Historically the number of children coming into care in Telford and Wrekin was well below statistical neighbour and regional levels, but the trend had increased. One hypothesis developed by staff who have been with the Council for many years is that the recent admissions were young people known to social workers who should have been brought into care much earlier and were now doing now what should have been done a long time ago. The trend now is to move young children more quickly into care or adoption. In terms of supporting families in crisis, the restructure in 2011 had looked at targeted services but they were not working as effectively as they should be – a new post had been created to mobilise targeted services and early intervention and an appointment would be made this week. Teens were very difficult and we are currently exploring Multi-systemic Therapy (MST). Cllr. Watling said MST was very expensive so they were working with other authorities. The Director explained MST had come over from the US and was intensive therapeutic support provided by a team of therapists working with a family. Children with challenging behaviour are often seen by the family as the problem when the behaviour could stem from issues within the family. MST is about changing the behaviour of the whole family and showing them that the child is not the problem – taking blame from the child. Essex used social impact bonds (payment by results) to fund MST and they were seeing numbers coming down. Reading had evidence of MST keeping about 30-35 children with their families. These are the young people with far too complex needs to be placed in foster care and who need residential care. Ways of wrapping more support around foster carers to enable them to look after children with more complex needs were also being looked at. Cllr. Watling said they were looking at everything – it was important not to lose any quality of service especially as Ofsted would revisit later in the year or next year. He was comfortable that the system changes were making a difference; there was better placement stability, children were being moved to permanence more quickly and adoption numbers were good.

- Mrs. Robinson asked if the Fostering for Adoption model which had come over from America was being considered. The Director said it was being looked at – there had been good outcomes – and internal foster carers were low cost and many tended to want babies. Cllr. Watling said there was a balance to be drawn because we need to keep our internal foster carers. Mrs. Robinson said some children can remain with a foster carer for a long time, and it could reduce time on the settlement period for adoptions. The Director said the joint Adoption service with Shropshire was very good at moving adoption proceedings, and the new national guidelines introduced by the government had reduced the care proceedings period to 26 weeks.
- Cllr. Ion asked about the 12 new residential admissions since April and how costs were projected - was it assumed all 12 would stay in care for 12 months. The Director explained that the projected cost is worked out on a child by child basis for the length of time each child is expected to be in care. Care Plans include the length of the placement and the expected end date. Some of the new residential admissions were from foster care. There were also savings from the contract carer who was employed as an employee to look after children who would otherwise be in high cost care.

3. Review approach/strategy for reducing children in care

This section included practice issues linked to reducing the number of children in care. Point 11 linked to the report on the Securing Permanency Group circulated as Appendix B5. The number of children subject to a Child Protection Plan correlated to the number of children taken into care, and the reduced rate of children on Plans should reduce the likelihood of care admissions.

Work was being done to reduce the average length of time spent in care which had increased over the last few years. Years ago, there had been a quicker churn rate, but children taken into care in recent years were more likely to stay in care long term. The aim now was try to move children safely out of care within 6-8 weeks and if this happened there was a better chance of the child staying at home.

Savings from shorter placements had to be balanced with the stability of the child. If a child is settled in a placement the decision to remove them back home is very difficult and moves take a long time to plan, but they were trying to move children to more cost effective placements and to reduce the time spent in care. Savings so far were minimal, but this was a difficult area and they would persist and be disciplined in changing expectations at the point a child comes into care.

Points raised by members were:

- Cllr. Dugmore wanted to know the average length of time spent in care. The Director did not have the figures to hand and they would be forwarded after the meeting. Reducing the average placement length by 6 weeks across the number of children in care would save a significant amount of money. The Dashboard showed new care episodes and cessations and there was a constant churn but the rate was not as high as it used to be and there was a

need to look at the reasons for this. 32.3% of the new episodes were young people aged 10-15 which were the most difficult and most expensive to place.

4. Utilise commissioning approach

Using commissioning to drive down costs was a relatively successful area. Efforts had been made to drive down unit costs of care which were reported on the Dashboard. The Queensway (previously known as Jigsaw) care contract had been retendered and savings had been made by reducing unit costs and purchasing 2 block beds (i.e. full-time) with the remaining beds spot purchased when needed so financial risk was shared with the provider. Cllr. Watling said HLC had taken over management of the (Jigsaw) school which had benefited from becoming part of the school's wider learning community. The Director said this had saved £144k on the contract this year and savings were expected to continue with no detriment to quality.

The overall position was that the £1.37m saving from work carried out had been cancelled out by the £1.396m cost of new admissions. The issue was that demand was not being controlled and targeted support needed to be mobilised. Targeted support was available through the out of hours service and the emergency duty team but there was no single manager working across both areas to mobilise help. Cllr. Watling said there had been service changes – for example there were now youth workers targeted to work alongside families to keep children safely at home. There had been a whole service change which had been difficult for staff, but the team were now really enjoying the new way of working and could see the effect.

There was a discussion on the following points:

- Cllr. S. Reynolds asked when the early intervention services would start impacting on numbers. Cllr. Watling said he believed they would. Nationally there had been cuts to early intervention and prevention budgets – the LGA was looking at this as a national issue – and local authorities were struggling to do what they needed to keep children from going over the edge. The Director and her whole team had worked very hard and the restructure was delivering. Radio Shropshire had featured some of the success stories - people who had benefited from intensive support and the Strengthening Families approach – and there was evidence that it was working. Cllr. Watling had been out with the family intervention team and had seen the relationships that social workers had built up with families – they had broken down the old mistrust and barriers which people used to have about social workers.
- Cllr. Dugmore wanted to know if we were using the eyes and ears of everyone, especially school staff who know the children very well and would notice if a problem manifested itself, whether they had a dedicated line for reporting concerns and whether social workers go in to schools. Cllr. Watling said Family Connect was the single point of contact for everyone and schools had said they found it useful. There was some good work going on in schools for example after the Coventry tragedy Holmer Lake Primary School had used their “Team Safeguarding Voice” which was to give the children a voice and to give them a clear picture of how adults can sound the alarm for them. He suggested the Children & Young

People Scrutiny Committee could look at how this could be rolled out – schools see children more than any other agency. The Director said there was a dedicated community social work team which links into other organisations working with children and young people to try to reduce the demand for high cost acute children’s services. The community team works in geographic areas and links into the early intervention teams. Their caseload is kept low so they have capacity for this work. Cllr. Watling said he was not prepared to cut costs on early intervention services which would avert costs later.

- Cllr. McClements noted that demand had risen by 5-6% this year which was above the rate of population growth. The number of relative carers had fallen by 10 over the last year and he wondered if this was a sign that families were less interested in looking after members of their own families. The Director said the number of relative carers changed as children grow up and come off the books or the carer is granted a Special Guardianship Order. Children looked after under a SGO are not reported on the Dashboard because the child is no longer in the authority’s care. There are no system costs for SGOs because child does not have a social worker. Cllr. McClements noted that the number of agency foster carers had not reduced and wondered whether there was a correlation between this and the fall in the number of relative carers.
- The Director referred to graphs tabled at the meeting which showed the trend in cost against budget over the previous 10 years for total placements and for each type of care. The graphs included central and overhead costs which were not built into costs reported on the Dashboard. The trend in Relative Carer costs over 10 years had started low, increased, dipped and then increased again. This could include some moving to SGOs. Cllr. Watling drew Members’ attention to the Total Placement graph which showed a balanced budget until 2008/09 when more children were taken into care. This was around the time of the Peter Connelly case and the increase was in line with national trends. There were children who should have been taken into care much earlier but weren’t, and this was now being seen in the increase in the number of teens coming into care.
- Cllr. Lawrence commented on the steady upward trend across all types of care and wanted to know why the budget assumed that this would not continue. He said the service was always planning for a reduction in demand and the mindset seemed to be that there would be a decrease. This was not borne out by the data - there had been an upward trend which was continuing with a 5-6% increase this year. He could see no reason why this would change and felt that the service should plan for an upward trend and the budget model should reflect the upward demand. He asked if we could produce a budget model which assumed a 5-6% increase in demand. Cllr. Watling said it was not a “budget” as such and the mindset was that it was better for children not to be in care and to move them back home but he agreed the point about how we set budgets they continued to have conversations. The Director said that if most of the children were in internal foster care there would be a budget surplus, and even more so if there was a reduction in the length of time in care. They were doing well – they had increased the number of internal foster carers except for carers to look after teens with more challenging behaviour. The Radio Shropshire breakfast show had featured some of the

young people in care talking about how they had come to respect their foster carers and how they had made a difference. The Hotshot Awards had also showcased the achievements of children and young people in care and how their lives can be turned around by foster carers. If we could get it right with the foster carers, we could also get the costs right. MST was one of the techniques and support mechanisms being explored to help foster carers look after challenging teens.

- Mrs. Robinson asked whether the Council receives any income from child benefit when a child comes into care. The Director said that child benefit stops when a child comes into care and the local authority does not receive any benefits attached to the child. Schools receive the Pupil Premium for children in care.
- Cllr. Ion picked up the points made by Cllr. Lawrence and agreed that strategic management of the budget would help remove some of the angst and political mischief around children in care budgets, when all elected members have a responsibility for children in care. He suggested this could be a recommendation that the Budget & Finance and Children & Young People Scrutiny Committees could make jointly. He said there were things to celebrate but felt that we never have an accurate picture. For example, with the cost of the 12 new residential admissions, we don't know how long they will be in care and should plan around the worst case scenario.
- Further, Cllr. Ion challenged that fact that there were 144 providers on the West Midlands residential framework contract which he felt was too many to negotiate with effectively, and that the authorities should use their collective power to reduce the number of providers and to reduce the price, as residential care was a massive cost. The Director said there were 2 main ways of procuring residential placements: either from the block or spot contract with Better Care Keys at Queensway (Jigsaw) as already discussed, or from one of the providers on the regional framework contract. All the providers brought into the framework contract had been willing to work on cost. That number of providers was needed to be able to source the specialist placements needed. The list would be reviewed when the contract came up for renewal. Cllr. McClements said in adult care the bigger providers were not always the best and there were a lot of small providers who provided a better quality of care and at better prices. Cllr. Ion replied that if we were only using a small number of the providers, there was an opportunity to drive down the number of providers and the cost. The Director said this was a very complicated market and they were focusing on building up foster care capability for very complex cases and MST was one solution being looked at. Cllr. Watling also pointed out that a full-time contract carer had been employed and if this proved successful they would do more of this. They needed to evidence success first, but the early signs of were good.
- Cllr. Ion said he had no idea of how Telford & Wrekin compared to other authorities in terms of costs. The Director said there was financial benchmarking against performance indicators but not against other authorities. There was national benchmarking on the number of children in care per 10,000 under-18 population

but costs were not benchmarked against the number of children in care. The Council could join CIPFA benchmarking club, but while the joining fee (about £800 per year) might be reasonable for the potential return, the back-office costs to input data could be higher – there were no staff to resource this and there was current exploration to understand whether joining could be justified. It was therefore difficult to provide cost benchmarking data with other authorities requested by the Committee. Cllr. Watling said Members should also bear in mind there is a cost to preparing for Ofsted inspections and the reports did not reflect how much is spent on doing things for regulators. In terms of the number of children in care per 10,000 under-18 population, there were huge variations. At the end of March 2013, Telford & Wrekin had 82.3 children in care per 10,000 under-18s. Dudley (106.9), Wolverhampton (117.1), Walsall and Stoke were all above; there were no numbers for Coventry; Birmingham was well below (69.9); Sandwell was in intervention and most of the other authorities below Telford & Wrekin were the shires. Telford & Wrekin was around the middle of the regional benchmarking and the other authorities were having the same budget issues. Cllr. Watling and the Director had visited Solihull which was below Telford & Wrekin re children in care per 10,000 to look at how they were managing within their budget and the answer was that they had a bigger budget. In summary, there was no accurate cost benchmarking data and the back office costs of CIPFA benchmarking were potentially too high.

- Cllr. S. Reynolds said she had noticed some of the monthly financial monitoring meetings had been cancelled and wanted to know if they were still happening. The Director assured her that the meetings were still happening but the cycle had been synchronised with the availability of relevant financial information so some of the original dates had been changed.
- The Director responded to the suggestion made at the meeting in June that more money should be spent on marketing for foster carers. She said it was not the number of enquiries that was important but the number of conversions from enquiry to approved foster carer. The number of enquiries had fallen but the number of conversions had gone up. In 2011/12 there were 226 enquiries and 8 approvals, in 2012/13 there were 153 enquiries and 14 approvals. This had been achieved by better targeted marketing and speeding up the approval process. The focus was now on targeting people who would be able to look after teenagers. There had been a reduction in the use of agency staff so the trend was going the right way but they would like it to be steeper.
- Cllr. McClements said that the external costs were more difficult to control. As a Council, we need to increase income from housing growth and increase business rate retention from new business growth, but from a budget point of view we need to make sure that the two care areas (children and adult) do not eat into the other service budgets such as environment, libraries, leisure etc. The Director agreed it was important to maintain other service budgets because the children were living in and using the environment and facilities. The main aim was to increase the number of children living with internal foster carers; £1 million would be saved by moving 10 children from residential to internal foster care.

The Chair remarked that there was a lot of good news and that a lot of hard work had been done in difficult circumstances and she asked that the Director take this back to the team.

Members of the Children & Young People Scrutiny Committee, Cllrs. McClements and Watling and the Director left the meeting.

BFSC-23 WORK PROGRAMME AND CHAIR'S UPDATE

The Chair updated members on the following matters:

- a) Following the last meeting the response of the Budget & Finance and Co-operative & Communities Scrutiny Committees on the welfare benefit policies has been submitted and would go through the decision making process on the following dates:
 - Policy Review - 28th November 2013
 - Cabinet - 12th December 2013
 - Full Council -23rd January 2014
- b) She had attended Audit Committee (as a member of Audit Committee) on 17th September. She felt the report on Capital Receipts had been honest and it was obvious that planning was in place for various scenarios and she had come away with a positive view. She would have welcomed Mr. Williams' views but he had already left the meeting.
- c) Cllr. Evans had met the Assistant Director Law, Democracy & Public Protection to discuss Single Status and she had no concerns to feedback and the Chair suggested this item should be deferred.
- d) The Chair suggested it was too soon for the Committee to review reports on commercial income generation – the Housing Investment Programme which had been to Cabinet in April and the Solar Farm report which had been to Cabinet in September - and that they should be deferred until later.
- e) The Scrutiny Management Board had held an informal meeting with Richard Partington, Ken Clarke and Paul Taylor to look at the Financial Monitoring Report. There were issues raised about the overspend in adult care. The Health & Adult Care Scrutiny Committee was meeting on 4th November and the meeting would include budget issues so members of the Budget & Finance Scrutiny Committee would be invited to the meeting and members were urged to attend.
- f) At the July meeting members had recommended that Richard Partington give his presentation to members of staff and this had been done at a series of staff engagement sessions which had been well attended. The Scrutiny Officer said that there had been some good feedback.
- g) It was likely the Council's settlement would not be received until after the meeting on 17th December and that the budget proposals would not be published until into

the new year. The Chair asked members what items they would like to look at in December, and as there were no pressing issues, it was agreed the December meeting would be cancelled and an additional date agreed for January to give more leeway for scrutinising the budget proposals. Provisional dates were discussed and would be confirmed by the Scrutiny Officer following the meeting.

The meeting ended at 8.00pm.

Chair:.....

Date:.....