

**Brighton & Hove City Council**

**For general release**

**Meeting:** Children Families & Schools Sub-Committee

**Date:** Monday 6 September 2004

**Report of:** Director, Children Families & Schools

**Subject:** Agency Placements Information 2003 / 4.

**Ward(s) affected:** All

**1. Purpose of the report**

1.1 This report sets out to outline to the committee the progress made in relation to Independent Foster Agency (IFA) and Residential Agency Placements over the financial year 2003 – 2004.

**2. Recommendations**

2.1 That the work undertaken in relation to Agency Placements during 2003 – 2004 be noted.

2.2 That further work be undertaken in 2004 / 05 to identify any additional budget requirements for 2005 / 06.

**3. Information/background**

3.1 The Department recruited a manager for High Cost Agency Placements in December 2002 in response to the significant and increasing overspends in the Agency Placement Budget.

3.2 This post would take forward a strategy to reduce the Department's reliance on High Cost Agency Placements and to anticipate the Best Value recommendations relating to this.

3.3 A Project Board was established to oversee and monitor progress. Representation on the board includes the Chair, Deputy Chair and opposition spokesperson of the Children Families & Schools Sub

Committee, the Director for Children Families & Schools, Senior Finance staff and other appropriate key personnel.

- 3.4 The Assistant Director of Children's Social Care in CFS has overall lead responsibility for taking the strategy forward and results to the board on a monthly basis.

#### 4. Further information

##### 4.1 Year-end Position.

4.1 The final budgetary position for Child placements in 2003/2004 was an overspend of £1.646m. The breakdown is shown below:

<b>CHILD AGENCY PLACEMENT COMMITMENTS for 2003/2004</b>				
<b>Type of Placement</b>	<b>2003/2004 Base Budget</b>	<b>2003/2004 Projected Spend</b>	<b>2003/2004 Variance</b>	<b>2003/2004 Placements</b>
Disabilities	444,600	661,400	216,800	8.9
Disabilities - Respite	70,900	89,900	19,000	n/a
Palmeira	641,000	357,500	-283,500	0*
<b>Disability Sub Total</b>	<b>1,156,500</b>	<b>1,108,800</b>	<b>-47,700</b>	<b>8.9</b>
Foster Care	2,384,100	2,855,400	471,300	71.8
Residential/Schools	1,743,500	2,161,100	417,600	20.6
Secure Accommodation	184,200	242,800	58,600	1.2
<b>Agency Sub Total</b>	<b>5,468,300</b>	<b>6,368,100</b>	<b>899,800</b>	<b>102.5</b>
In-House Foster Care	3,131,700	3,877,500	745,800	Range: 166 - 174
<b>TOTAL:</b>	<b>8,600,000</b>	<b>10,245,600</b>	<b>1,645,600</b>	<b>102.5</b>

\* There were three clients receiving services from Palmeira during 2003 / 04 who were all over 18 so the cost of these services was refunded by Adult Social Care, resulting in a recorded underspend of £283,500.

4.1.1 Disability – The agency disability budget underspent by –£47,700. This was as a result of the underspend of –£283,500 on Palmeira. There were 3 clients receiving services at Palmeira during 2003/2004 who were over 18 and the cost of these services was refunded by adult social care resulting in the underspend. This was off-set by overspends in both the long term and respite agency budgets. The long term budget was set on the basis that there would be 6.2 FTE placements at £1,375.25 per week. The actual position in 2003/2004 was 8.9 FTE placements (2.7 FTE over budget) at an average cost of £1,425.43 per week (£50.18 per week over budget) resulting in an overspend of £216,800. The respite budget also overspent by £19k.

4.1.2 Independent Foster Agency (IFA) – The IFA budget overspent by £471,300 as a result of both higher numbers of placements and a higher average unit cost per week. During 2003/2004 there were 71.8 FTE IFA placements of which 5.7 FTE were age 16 or over and therefore eligible for Leaving Care grant funding against a budgeted provision of 60 FTE. However, there was a shortfall in the available funding from the Leaving Care grant of £96,100.

In addition the average unit cost at £799.17 was £46.09 per week above the level allowed in the budget.

4.1.3 Residential Agency – The residential budget was also considerably overspent in 2003/2004. There were 20.6 FTE placements of which 2.0 were funded by the Leaving Care grant against a budgeted provision of 15.4 FTE. Also the unit cost at £2,259.62 per week was £87.87 per week above the budgeted level.

4.1.4 Secure accommodation – Although the number of children in secure accommodation at 1.2 FTE was only slightly above the budget (1.0 FTE) the unit costs were considerably higher than assumed in the budget. On average the placements were costing some £356.66 per week more in 2003/2004 than in the previous year and this resulted in an overspend of £58,600.

4.1.5 In-house Foster Care – The in-house foster care budget overspent by £745,800 in 2003/2004 as a result of the introduction of the new foster care rate on 28<sup>th</sup> July 2003.

## **5. 2003/2004 Trend Analysis**

5.1 The level of FTE placements at the end of 2003/2004 was 102.48. The table shows a month by month analysis.

5.2 Budgets for 2004/05 are being projected on the basis of the trends shown in the table.

5.3 Further detailed analysis is contained in Appendix One

Service	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March
Disab	6.42	6.42	7.42	8.46	8.46	8.21	8.21	8.53	8.53	8.53	8.50	8.87
Resid	20.06	19.08	20.14	20.24	20.83	20.96	20.33	20.52	21.29	21.38	21.13	20.64
Foster	62.39	62.60	62.81	66.91	68.27	71.92	72.93	72.25	72.56	72.59	73.02	71.76
Secure	0.00	0.00	0.00	0.08	0.08	0.53	0.60	0.60	0.84	1.00	1.19	1.19
Total	88.87	88.10	90.37	95.69	97.64	101.62	102.07	101.90	103.22	103.50	103.84	102.48

5.4 The average unit cost for all service areas in 2003/2004 was £1,183.63. A monthly analysis is shown in Table 2 in Appendix One .

## 6 Further Information

### 6.1 Cost Drivers

6.1.1 There has been an increase in the unit costs of residential provision and this has been largely caused by the providers having to meet more exacting and resource intensive standards imposed by the National Care Standards Commission. Whilst general costs have increased in line with inflation, the overall impact has resulted in unit cost increases being above the rate of inflation. Secure Placements have become disproportionately more expensive and this reflects a similar raising of standards and the very challenging needs of our children placed in those units. There is also a variation across the country of the impact of higher employment and housing costs and that impacts on unit costs of foster placements.

### 6.2 Comparisons

6.2.1 A benchmarking exercise with West Sussex was carried out. West Sussex numbers of Looked After Children have remained relatively stable. They have 6.9% of LAC in residential care against 5.4% in Brighton and Hove.

6.2.2 The average age of children in residential care has fallen from 14.6 years to 12.2 years

6.2.3 From March 2005, the Council will be measured and assessed on the number of children placed within 20 miles of their home. The number of

children placed beyond East and West Sussex, Kent and Surrey was 7 on 31/03/03.

### **6.3 Management Actions**

- 6.3.1 The development of a pool of providers who can meet the needs of more challenging children and who wish to work in Brighton and Hove has led to some reductions in placement costs.
- 6.3.2 A cost and volume contract for 50 placements has been negotiated with a large local provider.
- 6.3.3 Relationships with independent providers have been developed to make good use of local placements
- 6.3.4 Discussions have taken place with independent foster care providers on the provision of intensive support packages to avoid a move from family to residential placement.
- 6.3.5 The ADSS regional contracting system and preferred Provider List was introduced on 1st July 2004 and should increase the capacity to manage independent providers
- 6.3.6 The development of regional commissioning arrangements are being explored with neighbouring authorities
- 6.3.7 Single management responsibility for agency residential placements has improved gate keeping and cost control.
- 6.3.8 A cost benefit analysis of developing internal residential provision will be undertaken.
- 6.3.9 Consideration will be given to further developing intensive support packages in house or making arrangements with an independent provider.
- 6.3.10 Detailed analysis of the local causes of increasing numbers of children requiring placement in public care continues. Targets for improvement will be set.

## **7 Consultation**

- 7.1 Regular monitoring meetings take place, in the High Cost Agency Placement Board. This has Councillors and Officers in membership and provides a forum for consultation on the strategy.



## COMMITTEE REPORT APPENDIX



<b>Meeting/Date</b>	<b>Children, Families and Schools Sub Committee 06 September 2004</b>
<b>Report of</b>	<b>Director of Children, Families and Schools</b>
<b>Subject</b>	<b>Agency placements Information 2003 / 04</b>
<b>Wards affected</b>	<b>All</b>

<p><b>Financial implications</b></p> <p>There are no direct financial implications arising from this report. All the financial information is contained within the body of the report.  <i>Finance Officer consulted: ... David Ellis Date .....25.08.04</i></p>
<p><b>Legal implications</b></p> <p>Where children are accommodated into the care of the Council, either on a voluntary basis under S20 of the Children Act 1989, or by way of court order within Care proceedings under S31 of the Children Act, the Council has a statutory duty to provide an appropriate placement for those children, and to do so having taken into account their needs. Foster placements will always be considered in preference to residential placements, but where the children's needs demand it there may be little option but to consider a residential placement. In the case of the children placed in secure accommodation this can only take place in exceptional circumstances, if sanctioned by the court, and where the court considers there to be no option in order to secure the safety of the child or others.</p> <p>Accommodated children have a right to family life, which has been defined as including relationships which are familial in nature, rather than simply with blood relatives. Therefore where a child has been successfully placed in an IFA placement on a temporary basis, if it is anticipated they are to be moved it needs to be done relatively quickly to avoid the risk of legal challenge in the event the child or their legal representative wishes them to remain there.</p> <p>The three individuals referred to placed at Palmeira were placed there under a Court order agreed within Judicial review proceedings.  <i>Lawyer consulted: .Natasha Watson Date ....25.08.04</i></p>

<p><b>Corporate/Citywide implications</b></p> <p>This is a corporate critical budget with major impact on resources for other services.</p>	<p><b>Risk assessment</b></p> <p>Budget prediction and service management require the highest levels of risk management. .</p>
<p><b>Sustainability implications</b></p> <p>Better management of this aspect of the service is essential to sustain the whole service locally</p>	<p><b>Equalities implications</b></p> <p>Meeting the individual needs of the most vulnerable children increases the equality of opportunity for that group</p>

**Implications for the prevention of crime and disorder**

This service involves some of the most vulnerable children and young people in the City.

**Background papers**

None

**Contact Officer**

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Appendix One

Tables referred to in the text

Table One

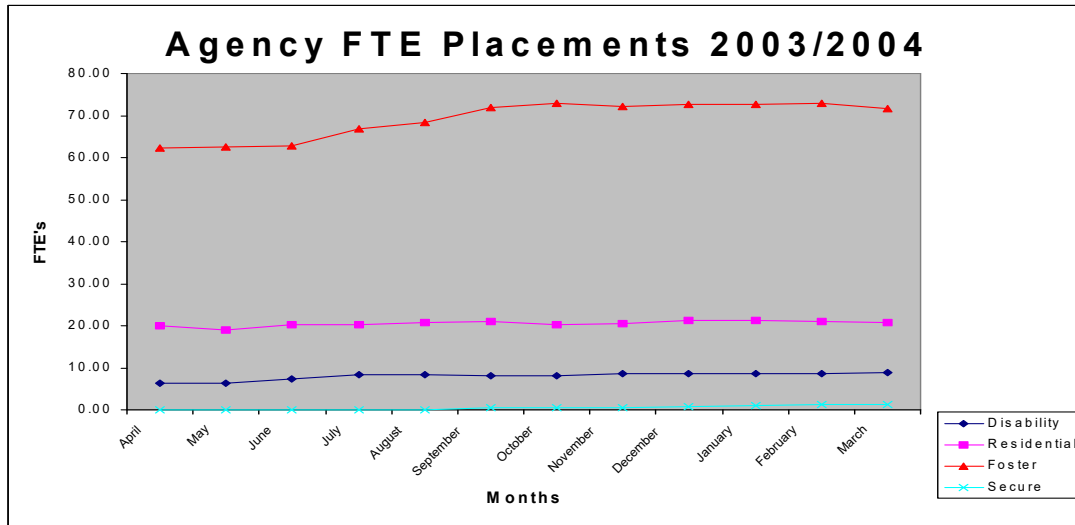


Table Two

Service	April	May	June	July	August	Sept	October	Nov	Dec	January	March	March
Disability	1,404.51	1,411.07	1,468.12	1,459.69	1,459.69	1,604.52	1,534.63	1,457.41	1,457.19	1,445.75	1,496.71	1,425.42
Residential	2,115.43	1,921.86	1,838.05	1,798.42	1,808.97	1,814.68	2,049.20	2,237.12	2,160.63	2,183.71	2,179.73	2,259.61
Foster	741.63	764.64	756.60	771.17	766.65	787.28	788.01	790.08	790.82	787.60	791.12	799.17
Secure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,731.03	3,797.53	3,861.99	3,889.22
<b>Total</b>	<b>1,099.64</b>	<b>1,062.34</b>	<b>1,056.04</b>	<b>1,049.55</b>	<b>1,049.33</b>	<b>1,066.69</b>	<b>1,101.14</b>	<b>1,139.36</b>	<b>1,149.42</b>	<b>1,159.39</b>	<b>1,166.76</b>	<b>1,183.63</b>

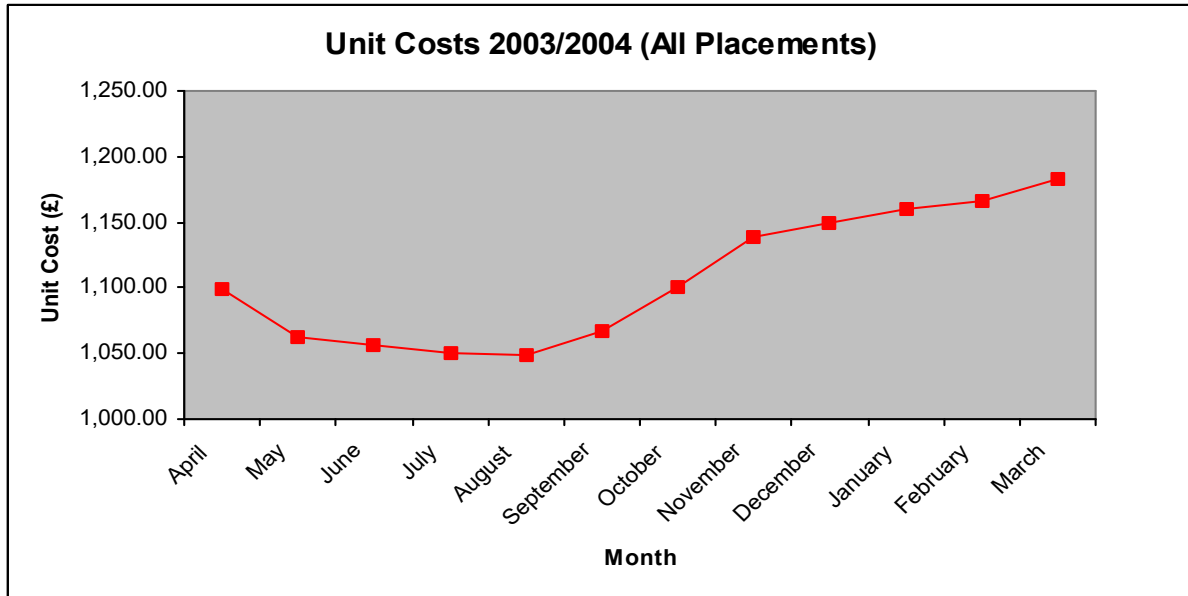


Table Three

Table Four

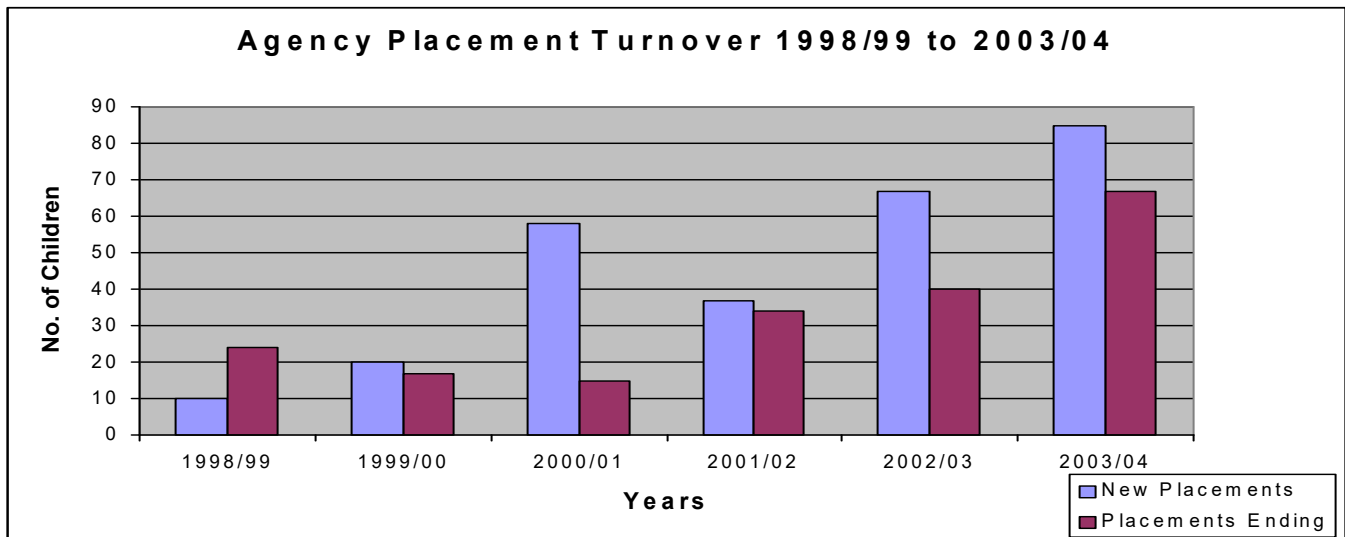


Table Five

Year	F.T.E. Placements	Total Commitment	Unit Cost Per Week
1998/99	8.27	270,852	628
1999/00	5.84	155,585	511
2000/01	23.96	831,564	666
2001/02	39.42	1,526,000	742
2002/03	49.29	1,843,383	717
2003/04	71.76	2,998,631	799

Table Six

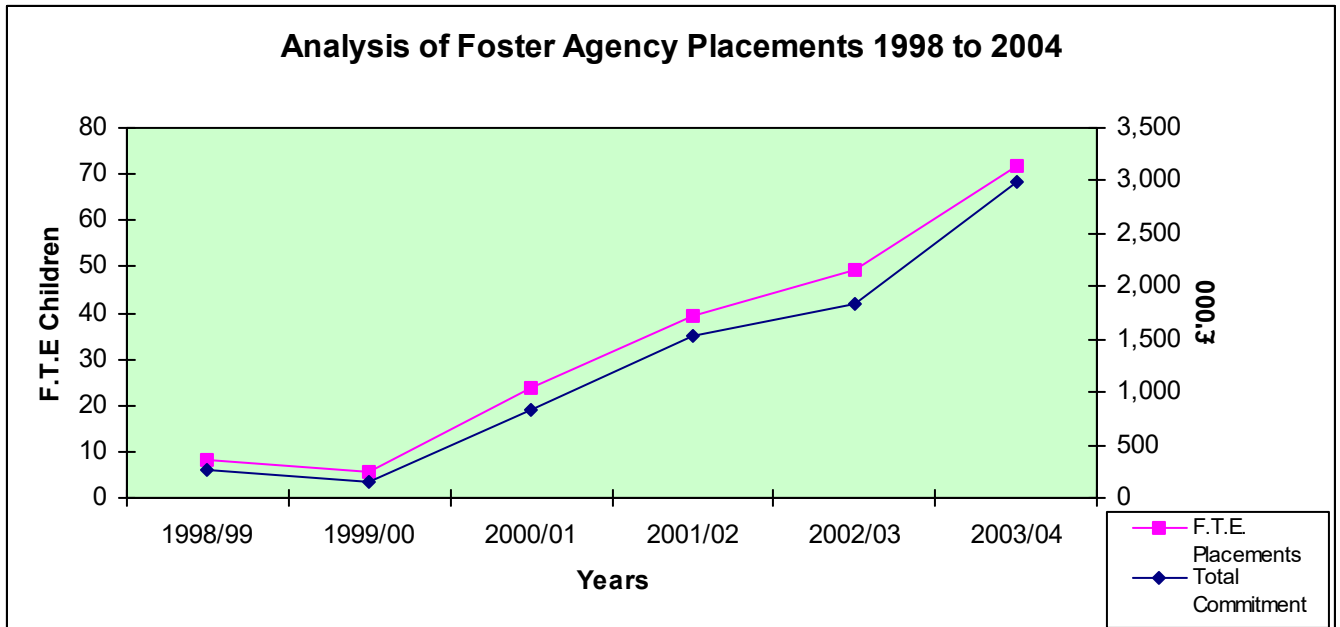


Table Seven

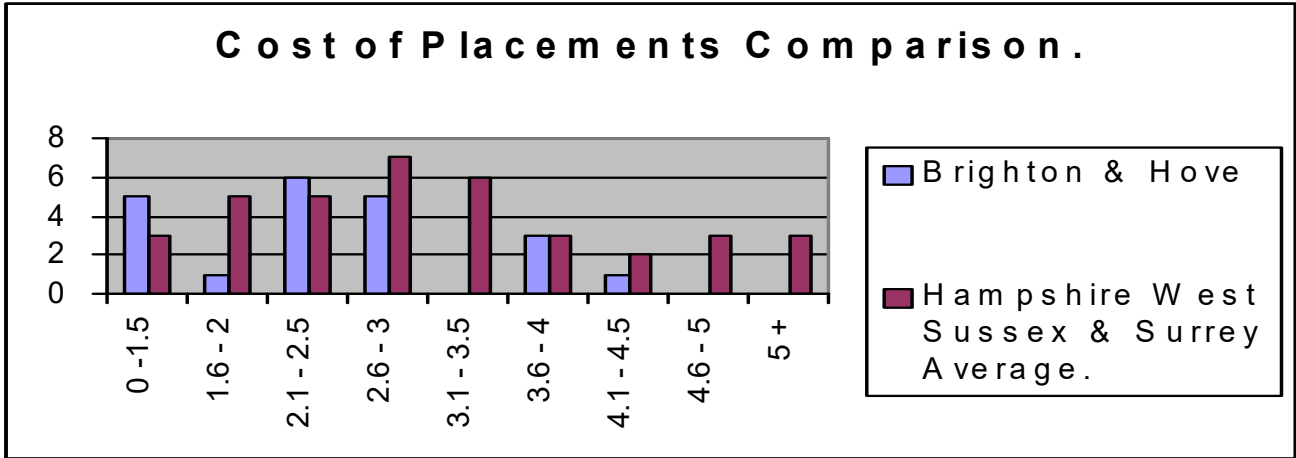


Table Eight

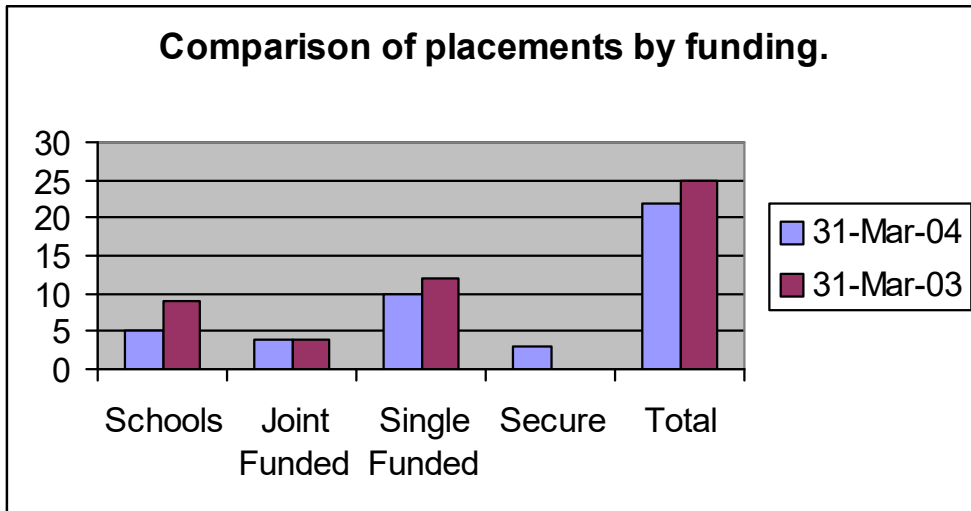


Table Nine

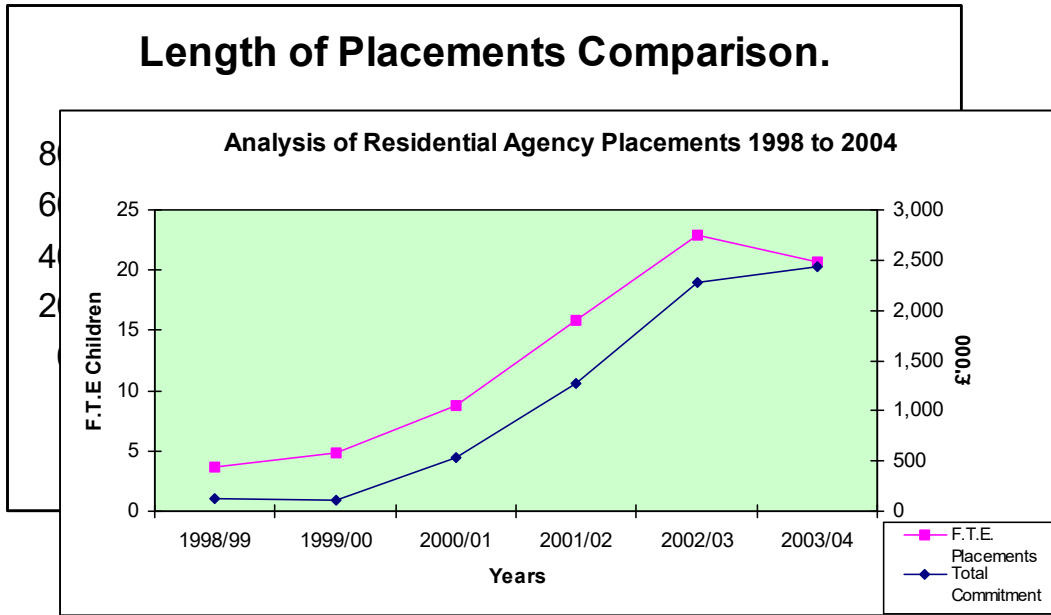


Table Ten