

# Update on Corporate Risks 1.5 and 1.6:

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- High cost placements for children's social care and special educational needs
- Pressure on LCC revenue budget and Dedicated Schools Grant (High Needs Block)
- Controls in place to address costs
- Future actions to address demand and costs

## High cost placements for children's social care

- Leicestershire's average number of children in care (CiC) per 10,000 is significantly lower than statistical neighbours and the national average:

|                               | CiC per 10,000 population |
|-------------------------------|---------------------------|
| <b>Leicestershire CC</b>      | <b>35.0</b>               |
| <b>Statistical Neighbours</b> | <b>47.8</b>               |
| <b>East Midlands</b>          | <b>53.0</b>               |
| <b>National</b>               | <b>60.0</b>               |

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## High cost placements for children's social care

- The rate by which those levels are increasing year on year is low compared to other East Midlands LAs and the national rate:

|                   |      |
|-------------------|------|
| Leicestershire    | 3.2% |
| East Midlands LAs | 4.8% |
| National          | 6%   |

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## High cost placements for children's social care and education

- Leicestershire performs well with regard to costs:

| Type of Care              | Average Weekly Cost<br>Leicestershire<br>£/pw | CIPFA Benchmark<br>weekly cost<br>£/pw | Variance<br><br>£/pw |
|---------------------------|---|--|----------------------|
| Internal Fostering        | 450   | 467                                    | -17                  |
| External Fostering        | 750   | 887                                    | -137                 |
| Internal Residential Care | 2,788   | 2,980                                  | -192                 |
| External Residential Care | 3,200   | 3,400                                  | -200                 |

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## High cost placements for children's social care

But...

Small numbers of children whose complex needs continue to require high cost provision:

13% (60) of the total number of children in such placements cost 50% (£9m) of the available placements budget in 2015/16

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## High cost placements for children with special educational needs

- Leicestershire currently spends £17,688,600 on independent and non-maintained special school places.
- 25 of these are residential placements at a cost of £2,400,000.
- 7 placements further afield generally for more specific needs, for example epilepsy or visual impairment.
- 18 of these placements are joint-funded with social care and/or health.
- 300 day placements in independent/non maintained schools.

## High cost placements for children with special educational needs

- The priority need is for children and young people with social, emotional and mental health needs or autistic spectrum disorder.
- Leicestershire spends more than other East Midlands LAs on out of county placements.

| Total number of placements purchased | Number purchased outside LA area | Average cost outside LA area | Total spend (rounded) |
|--------------------------------------|----------------------------------|------------------------------|-----------------------|
| Derby                                | 69                               | £72,041                      | £6.7m                 |
| Derbys                               | 72                               | £38,179                      | £3.8m                 |
| Leicester                            | 60                               | £77,798                      | £5.4m                 |
| Leics                                | 138                              | £60,720                      | £18.0m                |
| Lincs                                | 102                              | £64,667                      | £9.7m                 |
| Northants                            | 64                               | £101,193                     | £9.0m                 |
| Nottingham                           | 21                               | £104,131                     | £2.5m                 |
| Notts                                | 86                               | £36,578                      | £5.4m                 |
| Rutland                              | 11                               | £51,878                      | £1.4m                 |
| <b>1092</b>                          | <b>623</b>                       | <b>£67,465</b>               | <b>£61.9m</b>         |

- There is a sparsity of local specialist provision, particularly residential provision, for children with these needs.



## **Pressure on LCC revenue budget and Dedicated Schools Grant (High Needs Block)**

### LCC revenue

- 2015/16 forecast over spend on social care - £5.9m
- 2016/17 forecast over spend on social care - £7.9m
- Actual over spend 2015/16 - £4.6m
- Growth in 2016/17 - £7.9m
- Savings target in current MTFS - £5m (approx)

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### DSG High Needs Block

- 2015/16 over spend in DSG - £4.4m (met by use of reserves)
- 2016/17 forecast over spend - £7.6m (met by transfer of funds across blocks and 1% reduction in AWPU (age-weighted pupil unit) plus savings target £2.8m in SEND placements)

## Controls in place to address all placement costs

- New, more robust panels created to challenge placement options and inform decisions;
- Involvement in regional and national projects to look at the costs of care and SEN;
- Block contracts re-negotiated to reduce cost;
- Closure of one LA children's home;
- Introduction of charges to schools for specialist teaching services;
- Working with maintained and academy special schools to increase capacity to meet high levels of need;
- Increased commercial skills in commissioning arrangements

## Future actions to address demand and costs

- Increase market share of in-house foster carers;
- Create new models of social care for older children e.g. Parallel Carers scheme;
- Reduce reliance on residential provision by developing new models of care; ⇒
- Create local specialist and complex needs provision;
- Ensure full financial contributions from health commissioners.

## Future actions to address demand and costs

- New MTFS transformation programme;
- Contingency to respond to spikes in demand;
- Continue to improve data and analysis for accurate forecasting;
- Continue to invest in early help services to minimise demand.