

Update on Corporate Risks 1.5, 1.6 and 1.7:

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Agenda Item 8

Corporate risks 1.5 and 1.6

High cost placements for children's social care and special educational needs create pressure on LCC revenue budget and Dedicated Schools Grant (High Needs Block)

New corporate risk 1.7

Increased costs and pressures created by our response to new Unaccompanied Asylum Seeking Children (UASC) 2

Current situation and impact of actions to address demand and costs.

UASC - arrivals

- Spontaneous arrivals – M1 services, airport
- Calais – Dublin III agreement and Dubs amendment
- National Transfer Scheme – voluntary (LCC are no longer engaged with the scheme)

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UASC numbers

Based on the threshold of 0.07% of child population being used by the Home Office, Leicestershire would be expected to care for a total of 94 UASC with Looked After status.

At start of October, the Council supports 51 UASC children and young people.

- 24 have Looked After status and 27 are Care Leavers.
- 7 of these children transferred to Leicestershire's care following 1st July 2016 as part of the voluntary National Transfer Scheme.

Taking the Council's current UASC with Looked After status into account, under the Scheme the Council would be expected to care for a further 70 children.

UASC – cost pressures

The expected annual cost to care for the additional 70 UASC Leicestershire would receive under the National Transfer Scheme is now estimated to be £2.025 million. This is an increase from previously reported projection which was £1.5million.

Estimate from ADCS that national funding only covers around half of social care costs

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These costs include additional annual staffing for social workers, Independent Reviewing Officer (IRO) functions and the virtual school duties.

Other risks and issues relate to placement capacity, risk of unmet need, complex needs, reputation and judicial review.

We are developing a specific UASC team.

Social Care budget pressures

- In the current financial year the number rose from 469 in April to 508 in August but has fallen to 499 in October.
- Whilst the number of children are increasing, unit costs are reducing as a result of management actions
- Expected budget underspend in 2016/17 of £362,000 with a further £700,000 being held as a contingency.
- Demographic growth suggests that the number of looked after children will continue to increase over the period of the MTFS by 15% ↻
- Proposing a growth bid in MTFS to reflect changing demographics and an increased number of placements
- However the net change in the cost of placements is a reduction in budget over the MTFS of £890,000 as a result of savings.

Social Care Placements

- Between April and October 2016 the number of expensive external residential placements has fallen by 12.5%,
- Independent Fostering Agency placements have fallen by 3.4%
- The number of lower cost foster care placements has increased by 32.8%.
- Target to recruit an additional 75 (50%) foster care placements over the term of the MTFS.

DSG High Needs Block

- 2016/17 over spend in DSG - £2.9m (met by use of reserves)
- 2017/18 MTFS – continued growth
 - £3m further transfer from Schools Block,
 - £3.0m savings target – placements £1.5m, other high needs services £1.5m
- Currently spending £20.6m p.a. (£17.7m in May) on independent and non-maintained special school places
- 32 residential placements (25 in May) at a cost of approximately £2.2m.
- MTFS savings target on placements is set at a minimum, - £726,000 in 2017/18 rising to £1.5m in 2018/19

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DSG developments

- A key focus for the newly appointed strategic lead in this area is the reduction in costs.
- Changes in decision and commissioning processes to reflect what has been successful in delivering cost reductions in children's social care.
- A programme of work with the Transformation Unit which will review the provision of high needs support services and the thresholds at which they are accessed – look across education and social care

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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.
- 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