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To: Vulnerable Children and Partnerships Children, Families & Education Policy & Scrutiny Overview Committee

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Subject: Cost of residential, foster care and placements. Challenges and issues

Classification: Unrestricted

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### Summary:

This paper outlines the management actions and measures that are in place to reduce the number and cost of Private and Voluntary (P&V) and Independent Fostering Agency (IFA) placements across the County.

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### Background

1. (1) The increase in referrals following the tragic death of Baby Peter, the changes to the legal system brought about by the Public Law Outline (PLO) and the recent Southwark judgement ruling, are among a number of factors that have had a significant impact on the number of Looked After Children (LAC). In August 2010 Kent had 1320 looked after children, this is an increase of 13.6% compared to August 2009.

(2) Kent County Council's in-house fostering service has been successful in its campaign to recruit and retain foster carers and as a result the service has been able to absorb most of this increase in demand. As the table below demonstrates, the fostering service had 14% more foster placements in August 2010 than in August 2009, this equates to 118 more placements. During this same period the number of Independent Fostering Agency (IFA) placements increased by 23 and Private and Voluntary (P&V) sector placements by 9.

	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
Total LAC	1162	1174	1193	1199	1206	1196	1205	1233	1236	1251	1303	1314	1320
P&V	38	41	39	49	45	43	45	44	42	44	48	49	47
Percent age	3.27	3.49	3.27	4.09	3.73	3.60	3.73	3.57	3.40	3.52	3.68	3.73	3.56
IFA	69	73	72	74	80	77	85	86	88	88	96	94	92
Percent age	5.9	6.2	6.0	6.2	6.6	6.4	7.1	7.0	7.1	7.0	7.4	7.2	7.0

Total P&V and IFA	107	114	111	123	125	120	130	130	130	132	144	143	139
Percent age	9.21	9.71	9.30	10.26	10.36	10.03	10.79	10.54	10.52	10.55	11.05	10.88	10.53
Total LAC	1162	1174	1193	1199	1206	1196	1205	1233	1236	1251	1303	1314	1320
KCC fostering	841	856	869	900	890	876	858	878	887	909	942	950	959
Percent age	72.38	72.91	72.84	75.06	73.80	73.24	71.20	71.21	71.76	72.66	72.29	72.30	72.65

(3) To gain a better understanding of why children and young people were being placed in the private sector an analysis of this cohort of children and young people was undertaken in 2009. The aim of this exercise was to inform the development of a strategy that would prevent further placements. 83% of children and young people had significant challenging behaviours including drug use, alcohol misuse, and violence to others, stealing and sexualised behaviour. Their ages ranged between 11 -15 years and many of the placements were made following family crisis or fostering breakdown.

(4) The remaining cases were parent and child placements. This type of placement is favoured by courts but unfortunately there is a tendency for placements to drift because of the reluctance of the Judiciary, to move the parent and child into the community until the care proceedings are concluded, because of the risks to the child,

### **National Context**

2. (1). The 2010 National statistics have show an increase of 6 per cent nationally of the number of Looked After Children and an increase of 8 % becoming looked after in the year ending 31<sup>st</sup> March 2010.

(2) According to DfE statistics 2009, even including asylum seeking children, KCC has the third lowest figure [7%] of children and young people in children's homes [3.2% in the private sector] in comparison with KCC's statistical neighbours which range from 3 to 18 percent. However, all private sector children's homes are high cost and many are not good value for money. In 2009-10 the average gross weekly expenditure per looked after child for a private sector children's home was £2,895. Despite the small increase in placements this has created a budget pressure of £1,065.5 for 2010/11.

(3) Currently there are no statistical data to compare the percentage of children placed in IFAs by other local authorities. However, in Kent the demand for placements has placed the Fostering Service under considerable pressure which has resulted in an increase in the number of IFAs. In 2009-10 the average gross weekly expenditure per looked after child for an IFA placement was £1,086. The relatively high cost of IFA placements has created a budget pressure of £1.145.9 for 2010/11.

(4) In total the overall budget pressure for private sector placements is £2,211.4 for 2010/11.

(5) KCC has always invested in the Fostering Service and it was only in exceptional circumstances that an IFA placement was approved. KCC has maintained an exceptionally low weekly unit cost for LAC which in 2008/9 was £583\*. [Highest unit cost was £1,236 Bracknell Forest and lowest £453 Rutland] Due to the increase in the

number of LAC, the gate keeping has become more challenging and the procurement process requires strengthening.

(6) Although the number of IFA placements has reached a plateau, it is imperative that action is taken to reduce the need to use private sector placements and this report sets out a robust strategy to reduce the financial pressure that has been identified.

\* [NB This information is no longer recorded by DfE]

### **Strategy for Reducing Private Sector Costs**

3. (1) There are a number of actions that have already been taken to produce some quick wins and although it is early days the increase in IFA placements has slowed down. This is due to a stringent gate keeping process and proactive care planning to bring children and young people back into KCC Fostering placements.

(2) However, this must be underpinned by a longer term strategy to ensure a tight grip is maintained on the number of private sector placements. Below is a list of actions that have been put in place.

(3) In order to ensure we achieve best value for money the procurement arrangements will be more robust. With immediate effect all new contracts with IFAs will finish on the young persons 16<sup>th</sup> birthday to allow the 16 plus service to renegotiate the cost and care plan. The aim is to enable 16 plus, where appropriate, to place young people back with their families or in a community placement.

(4) Heads of Service and Catch 22 are monitoring private sector placements on a monthly basis to identify those young people who can be placed in house or in supported living arrangements and to ensure these plans are implemented.

(5) In order to ensure rigorous gate keeping is in place, Heads of Service approve all new private sector placements. As at 28<sup>th</sup> July 2010, 13% of private sector placements were parent and child placements. With immediate effect only in exceptional circumstances will parent and child placements be made unless the case is in care proceedings. This ensures that placements are time limited, avoiding unnecessary drift in both private and in house placements, which will in turn release more placement capacity in house reducing the need to use private sector placements.

(6) In order to ensure a sustainable reduction in the overall number of looked after children, District managers are ensuring that all care plans are expedited to avoid drift and that looked after children are:

- Returned home where possible
- Placed within the family network
- Placed for adoption or under special guardianship arrangements
- Placed in long term foster care

### **Medium term action**

4. (1) KCC Fostering Service

KCC fostering service is competing with 33 IFAs to recruit carers at a time when there is a national shortage of suitably skilled and available carers. A robust recruitment strategy

has led to the service being on schedule to meet its ambitious target to recruit 120 new foster carers in 2010 /11.

(2) To achieve this KCC recognised the need to increase the number of fostering social workers and for their role to focus on assessments.

(3) Since the review of the Fostering service in 2003 and the introduction of the initial enquiry and recruitment team, it has been highly successful in attracting new applicants. However, until recently the service had to maintain a waiting list of applicants but with the increase in social workers the waiting list has reduced considerably. This is vitally important because if applicants do not want to wait they can easily apply to an IFA and KCC will lose their interest. IFA carers wanting to transfer to KCC are fast tracked.

(4) It remains difficult to recruit foster carers who are prepared to foster challenging adolescents and the competition for this type of carer is fierce as the IFAs are fishing in the same pond. Therefore as previously identified in this report there are not sufficient KCC foster carers for adolescents with challenging behaviour. However, the Fostering Service through the provision of expert support and training has been successful in encouraging and enabling existing carers to care for adolescents, where previously they were not confident to do so. Consequently although the number of foster carers has not increased significantly the number of placements available for adolescents has increased. To enable this process of 'growing our own adolescent carers' to continue it is imperative that KCC continues to provide good training and support.

### **Adolescent Fast Response Service for young people on the brink of care**

5. (1) Each district is establishing dedicated resource to ensure that when teenagers are on the brink of care the duty teams respond within 24 hours. This is the most effective way to maintain young people in their family by providing social work support and intervention immediately. If a young person does become looked after, a rehabilitation plan must be identified at the time of being brought into the care system with the aim of returning the young person back to the families within two weeks.

(2) Some families may need a more intense intervention over a period of time and voluntary agencies have a key role to play in providing mediation services that work closely with the C&Fs duty teams. This type of service will prevent young people bouncing back at a later stage and will offer families an alternative support service. The scoping and commissioning of such service falls into the longer term strategy as set out below.

### **Parent and Child Placements**

6. The parent and child placement procedures have been updated, and the intention is that the number of parent and child placements will reduce by adopting the measures outlined below;

- The eligibility criteria will be tighter. Parent and child placements should only be used if care proceedings have already begun
- Where possible, placements should last no longer than 3 months
- Teams will use more rigorous pre birth assessments. If assessment indicates that the parents are not able to protect their child then proceedings should be issued at birth or a recommendation made to begin the PLO process.

## **Long Term Plan**

### **7. Adolescent Strategy**

(1) The outcomes for young people becoming looked after in adolescence are amongst the poorest, and therefore admission to the care system should be considered as an extreme intervention. The aim is to prevent these young people becoming looked after and instead offer support in the community. In order to achieve this, safely, there are strategic and local actions in place.

(2) At a strategic level work is underway to review and update the adolescent strategy and the integrated youth support strategy. CFE and other external and internal partners will be working jointly to improve support and services to adolescents.

(3) At a local level, management actions are in place to support effective intervention with adolescents, these include:

- Reviewing adolescent mediation service commissions (eg Breakthrough) with a view to these being county wide
- Recognising the significance of poor school attendance or school exclusion for this age group, to move to more integrated working between Attendance and Behaviour Service and Social Services.

### **Preventative Services**

8. (1) As part of the reorganisation of CFE, 12 district based preventative services managers have been appointed. These Preventative Services Managers will lead on implementing the preventative strategy, ensuring that children with additional needs are identified early and that services from relevant agencies are deployed effectively and speedily to meet their needs.

(2) The PSMs are to manage CFE preventative services directly and will champion integration of preventative services and processes and ensure county wide consistency and equity. Children referred to social services, but who do not meet the eligibility criteria, will be supported through these preventative services and processes.

(3) It is expected that overtime, through successful management there will be a gradual reduction in the number of children with child protection plans and the number of children and young people who become looked after.

### **Procurement Strategy**

9. (1) The sufficiency duty requires local authorities to have sufficient local placements available for their Looked After Children. To achieve this a commissioning process must be in place which is reviewed regularly. The main component of the commissioning process is the procurement and management of private sector placements and for reasons previously identified in the report, the procurement arrangements must be more robust to ensure 'value for money' and a reduction in placement costs. The following will be in place by the end of October 10.

- The Commissioning Team will negotiate cost and volume placement arrangements with existing service providers for all new IFA placements for LAC including asylum seekers. This will bring down the cost of all new placements.

- Specialist Services will pilot the care funding calculator for children's homes/residential placements. The calculator will provide a basis for negotiating cost on the basis of need through a framework similar to the one used in KASS.
- Analysis of existing IFA/residential high cost placements will be undertaken. The care funding calculator will be applied to residential placements and individual negotiations entered into with existing providers for IFA placements.

(2) The new National Framework set of procurement and contract documents produced by the DFE will be adopted which will significantly reduce administration time.

## **Summary**

10. This paper has outlined some of the strategic and local changes that should impact on the number of IFA and P&V placements required in the future and the cost of these placements. These changes will take time to embed therefore reduction will be a gradual process. The actions outlined in the report will be part of an overall Looked After Children strategy which will include desired outcomes and robust performance monitoring procurement processes.

### **Recommendations:**

Members of the Vulnerable Children and Partnerships POSC are asked to note this report for information.

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## **Background documents**

*None*