

**REPORT OF THE EDUCATION, CHILDREN & FAMILIES SELECT  
COMMITTEE  
2018/19**

**SUSTAINABILITY OF THE CHILDREN'S  
SOCIAL CARE BUDGET**

Meeting Date: Tuesday 16 OCTOBER 2018

The Committee gives its sincere thanks to the witnesses for their contribution to the Select Committee's Review.

## Second Report of the Education Children and Families Select Committee 2018/19

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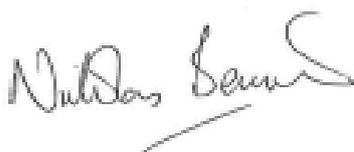
### **Foreword**

The Select Committee is responsible for scrutinising the budget of the Education, Care and Health Services insofar as it concerns Education and Children's care services.

Bromley Council faces a funding gap of approximately £40 million in the financial year 2022-23. Education and Children's services currently costs £40,189,000 per annum which is 20% of the total controllable Council budget.

The Select Committee is therefore conducting two enquiries to ensure that the budget for Children's Social Care and those aspects of Education which are under Council control are sustainable in future years and meet the triple tests of the 'Es' – Effectiveness, Economy and Efficiency. We are mindful that the overriding objective must be to ensure that money spent produces the right outcomes for the children of the Borough. At the same time we are guardians of the public purse and it is our duty to ensure that the burden on the taxpayer is not extortionate, understanding that a pound wasted is a pound not available for achieving the best ends for our children and families.

We will be producing a further report for the February 2019 Council on the sustainability of the Education budget.



**Cllr Nicholas Bennett JP**  
**Chairman**  
**Education, Children and Families Select Committee**

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## **1. Introduction**

- 1.1 The Education Children and Families Select Committee met on 16<sup>th</sup> October 2018 to undertake a review on the Sustainability of the Children's Social Care Budget.
- 1.2 The Committee also received a briefing from the Chief Executive concerning the progress of an aeronautical college at Biggin Hill, as well as a detailed update from the Deputy Chief Executive and Executive Director for Education, Children and Health Services. In addition, the Committee viewed a video that had been produced by Bromley Living in Care Council entitled "Listen When I Speak". The video detailed the experiences of some of Bromley's children looked after. Details can be found in the [minutes](#)<sup>1</sup> from the meeting.

The Committee regrets that the Portfolio Holder was unable to be present because of urgent family matters.

## **2. Executive Summary of Recommendations**

- 2.1 **That demand for services be forecast more accurately, divorced from concerns about producing numbers which fit the budget, but which then leads to considerable pressure on the in-year contingency budget.**
- 2.2 **That benchmarking be undertaken against authorities with lower unit costs.**
- 2.3 **That new ways of working be identified through the redesign of services, where appropriate with non-Council partners and where appropriate nearby local authorities.**
- 2.4 **That an examination of best practice by authorities judged to be good or outstanding be undertaken.**
- 2.5 **That an in-depth examination be undertaken of how Artificial Intelligence can be used to improve services and cut costs.**
- 2.6 **That Officers continue the positive recruitment campaign started in 2017-18 to continue to increase the number of in-house foster carers.**
- 2.7 **That research be conducted as to how earlier intervention can prevent teenage children coming into care.**
- 2.8 **That consideration be given to whether, in conjunction with other local authorities in London and the Home Counties, a joint venture to build secure accommodation for participating authorities could be pursued.**

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<sup>1</sup> Minutes can be found on the London Borough of Bromley Website at: <https://cde.bromley.gov.uk/ieListDocuments.aspx?CId=584&MId=6320>

- 2.9 That LB Bromley work with London Councils and the LGA to seek additional funding for unaccompanied minors to reflect the actual cost of care.**
- 2.10 That LB Bromley work with London Councils and the LGA to lobby Government to lower the 25 cap below which no assistance is given for unaccompanied minors.**
- 2.11 That the Department continue to work to achieve at least 90% social work staff employed as permanent employees.**

### **3. Sustainability of the Children's Social Care Budget**

- 3.1. The Select Committee's main enquiry for this meeting focused on the sustainability of the Children's Social Care Budget. The purpose of the review was to aid Member's understanding of the pressures within the Children's Social Care Budget and the influences, both internal and external, on the budget.
- 3.2. A range of written evidence was provided to Members in advance of the meeting. This included a report providing an overview of the Children's Social Care Budget, the current 2018/19 budget forecast, costs of placements, data reports, and demographic information relating to the children and young people accessing statutory services.
- 3.3 The Committee heard evidence from three main witnesses at the meeting:
- Ade Adetosoye, Deputy Chief Executive and Executive Director for Education, Care and Health Services (LBB)
  - David Bradshaw, Head of ECHS Finance (LBB)
  - David Dare, Head of Safeguarding and Care Planning West (LBB).

#### **3.4 Preface**

- 3.4.1 In August 2018, 2061 children and young people were recorded as receiving statutory services from Bromley's Children's Social Care (CSC). The Children and Young People accessing our services range in age from birth to 25 years, come from every ward in the Borough, and from every ethnic, social, and faith group. There is a variety of needs and the predominate factors within the cohort of families accessing statutory services within Bromley are those of neglect and domestic violence.
- 3.4.2 Bromley is a relatively affluent Borough; however, there are pockets of deprivation and hidden need. In Bromley, children are identified as in need of services for a number of reasons including parental mental ill health, substance abuse, domestic violence, and neglect.

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- 3.4.3 High unit costs for the services delivered are causing pressures that need to be addressed. Following the Ofsted Inspection in 2016 the Council's Executive approved additional funding to support the delivery of Children's Social Care in Bromley. There are clearly opportunities to achieve savings by learning from our nearest statistical and geographic authorities and data that is collected provides good intelligence as to where attention should be focused.
- 3.4.4 When children come into care in an emergency, choices and decisions are heavily dependent upon the availability of carers whether this is foster care or residential care. How a placement is costed depends on whether or not the provider is within London and therefore part of the Pan-London Agreement. Sometimes it is essential that our more complex and vulnerable children are placed outside London. In these cases, there is no agreement and providers can charge what they wish.
- 3.4.5 Children's Social Care is a needs-led service. As a result of this budgets are volatile.

### **3.5 Background to the Children's Social Care Budget**

- 3.5.1 Although considerable growth (around £6.25m) has gone into the Children's Social Care (CSC) Budget over the last three years, pressures continue to remain in the system.
- 3.5.2 Within the context of the overall financial strategy, where the impact of austerity and reductions in government funding require the Council to find efficiencies and savings across the organisation, CSC, as observed in the Foreword, represents a considerable element of the overall budget. There has been a need for CSC to identify efficiencies and savings and limit growth as far as possible thereby offsetting the need for reductions elsewhere in the Department and wider Council.
- 3.5.3 The total controllable budget for Children's Social Care is £34 million. There is a projected overspend for 2018/19 of in excess of £2m, taking into account management action. The area of focus for managing the budget overspend is Fostering, Adoption and Resources; specifically placements and accommodation. This is where the highest unit costs are found and where the budget overspend is principally located.
- 3.5.4 In 2018/19, the Service was given growth of £2,206,000 in the budget. However, a set of mitigating management actions of £1,088,000 was agreed which reduced the growth to £1,118,000. The full year effect of the current overspend is £2,756,000 which is partly offset as it is assumed that the management action will have a mitigating effect which will reduce the overall full year effect to £1,291,000.

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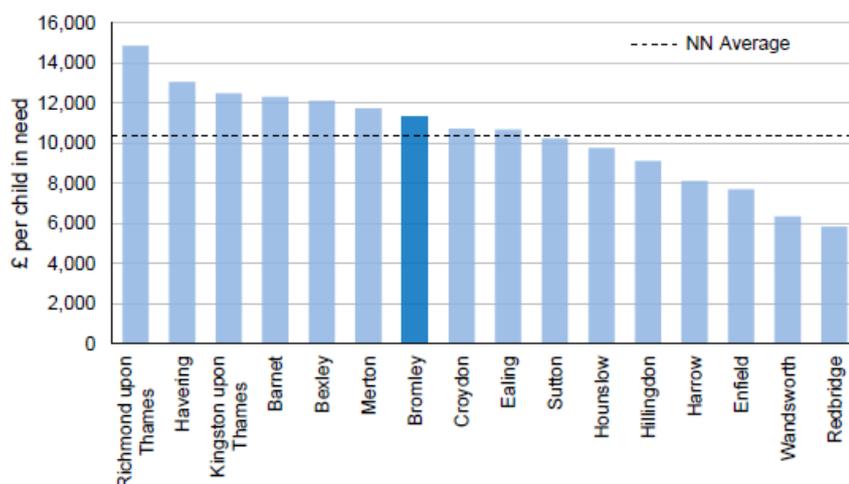
## 3.6 External Influences on the Budget

### 3.6.1 Forecasting of Demand

3.6.1.1 Using data sources and knowledge from the Service at the time of budget preparation an accurate budget figure can be ascertained. However, forecasting can only be as good as the data that is received. Due to the nature of the service being needs-led and the cohort of children required to be safeguarded at any one time, accurate forecasting can be problematic.

3.6.1.2 Forecasts are based on Officers knowledge of past activity as well as their best prediction of future trends. There is clearly a need to set challenging budgetary targets however, in setting budgets Members and Officers need to be realistic about the demands being placed on the Service. The Committee notes that Officers budget to actuals although this can be problematic when forecasting future demands. Current forecasting enables growth to be built into the budget using information from the service, although this is set at a point in time each year. Challenges remain and the expectation is that the service mitigates this as far as possible.

3.6.1.3 Another tool used is benchmarking against other authorities. High unit costs for the services delivered continue to cause pressures that need to be addressed. There is an opportunity to achieve savings by learning from our nearest neighbours. In 2018/19, Bromley's unit cost was 8.8% above the London neighbour average, with nine local authorities delivering services at a lower unit cost (see graph below). The Committee notes that the figures need to be treated with caution as it may be that other local authorities' unit costs do not include the same items. However, it is clear that this is a matter which needs further research.



Unit Costs for Children's Social Care, LBB compared to 15 London neighbours

3.1.6.4 Further work around reducing the unit cost of placements is a key priority. To this end, there is a need to reduce reliance on placements outside of London due to the unregulated nature of this type of placement. There is clearly a requirement to manage the market differently and place more

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children within London in order to take advantage of the Pan-London Agreement which places a cap on the cost of placements. The Committee notes that there is undoubtedly more work to do in terms of reviewing unit cost and further investigation is required.

- 3.1.6.5 Demand for placements is predicted to increase in the next two years. Given the current pressures on the Children's Social Care Budget it is clear that consideration will need to be given to the future design of services. Members note the evidence from the Deputy Chief Executive that the Department has a Commissioning Plan in place that sets out the delivery of mitigation and savings. The Commissioning Plan reflects an acknowledgement of the need to give consideration to new initiatives that will manage risks in a different way. The Committee also feels that in order to address the significant budgetary pressures there should be a detailed examination of how Artificial Intelligence can be used to improve services and cut costs.

**Recommendation 1: That demand for services be forecast more accurately, divorced from concerns about producing numbers which fit the budget, but which then leads to considerable pressure on the in-year contingency budget.**

**Recommendation 2: That benchmarking be undertaken against authorities with lower unit costs.**

**Recommendation 3: That new ways of working be identified through the redesign of services, where appropriate with non-Council partners and where appropriate nearby local authorities.**

**Recommendation 4: That an examination of best practice by authorities judged to be good or outstanding be undertaken.**

**Recommendation 5: That an in-depth examination be undertaken of how Artificial Intelligence can be used to improve services and cut costs.**

### 3.6.2 Placements and Accommodation

- 3.6.2.1 In 2016/17, following the Ofsted Inspection, an increase in placements and staffing which had not previously been predicted was seen, as the Council's ineffective safeguarding of children was the finding in relation to the inspection outcome. Even though subsequent budgets have been adjusted the effect is still evident through the system due to more robust identification of children in need of protection and the challenges this complex group brings with them in terms of specialist placements. Furthermore, if a family requiring support move into the Borough or were previously unknown to CSC this can have a significant impact on expenditure. In extreme cases placements can be in excess of £300,000 per child per annum.

- 3.6.2.2 One of the tools used to predict future costs is the mapping of children coming through the system and where they may be placed. As can be seen

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below, there is an expectation of a rise in numbers followed by a reduction that brings the number of children looked after back to 2018/19 levels in 2022/23.

	2018/19	2019/20	2020/21	2021/22	2022/23
Placed with Parents	5	3	2	2	1
Placed for Adoption	12	15	15	15	15
Relative or friend	34	36	34	32	30
Independent Fostering (IFA)	76	66	56	46	38
In-House Fostering	103	120	133	135	135
Children's Homes	27	27	34	34	34
Residential School	1	1	1	1	1
Youth Offending	0	2	2	2	2
Secure Unit	2	3	3	3	3
Semi-independent Living	30	35	30	30	30
Mother & Baby Unit	2	2	2	2	2
NHS/Health Trust	1	1	1	1	1
	<b>293</b>	<b>311</b>	<b>313</b>	<b>303</b>	<b>292</b>

3.6.2.3 The Committee notes that the expectation is that a shift will occur in the type of settings the children will be in. For example, the number of children placed with Independent Fostering Agencies is expected to halve in the next five years with in-house fostering increasing significantly. The Committee notes that if the increase of 32 in-house carers were all to be placed in Independent Fostering Agencies, expenditure would increase by £736,000.

3.6.2.4 The average costs of the main placements made by Children's Social Care are detailed below:

	Average costs £'000
Relative or friend	10
Independent Fostering (IFA)	46
In-House Fostering	23
Children's Homes	166
Residential School	124
Youth Offending	107
Secure Unit	305
Semi-independent Living	38
Mother & Baby Unit	23

Where a child is placed can have a huge impact on the budget and the Department seeks to provide the most cost effective level of care. However this can be thwarted by the available supply of different types of provision. In certain cases placements have to be made in other more expensive provision due to the lack of availability of the required provision. In-house foster carers cost the Council half the amount that an independent fostering agency charges (£23,000 versus £46,000). The more in-house foster carers

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we can recruit, the more efficiencies can be made with the added advantage of keeping children locally.

- 3.6.2.5 There are a number of advantages to children remaining within their 'home' area. The impact of disruption to their school lives is reduced and their network of friends is improved. This in turn improves their emotional well-being and contact with their family. It is also possible to ensure that services can be wrapped around the child. This offers a better possibility of rehabilitation and improved contact with their social worker. All of these elements improve outcomes for children but alongside this reduce costs.
- 3.6.2.6 To this end, the Local Authority has instigated a hard driven campaign to recruit in-house foster carers. In 2017/18, the Department recruited 26 new foster carers and is ambitious to repeat and exceed this number in 2018/19. The Department is seeking to identify carers who could undertake training to be specialist carers for our more challenging young people. There is a recognised accreditation for this as well as a financial incentive, which will cost far less than the costs of residential placements but more importantly will provide a better experience for our young people.
- 3.6.2.7 In addition, Officers are also identifying carers who are able to support a mother and baby placement rather than the use of residential mother and baby placements and assessments which can cost in excess of £23,000 for a short-term placement.
- 3.6.2.8 How a placement is costed is dependent on whether the provider is within London and therefore part of the Pan-London Agreement. For those placements outside London and where it is sometimes more essential that our more complex and vulnerable children are placed there is no agreement. Providers can charge what they wish and this is dependent upon the demand-led need which can escalate costs.
- 3.6.2.9 In addition to the raw price of the bed, the providers for those children who present a high risk will require an increase in the support. This can range from 2:1 or 3:1 and can be for set hours or 24/7. This substantially increases the cost and is not one that can be regulated for. In some circumstances placements of this kind can reach £8,500 per week. Often our late entrants into care (i.e. teenagers) are the most complex, are previously unknown to the Service, and present the most challenges to regulate their emotional well-being and behaviour.
- 3.6.2.10 The report before the Committee detailed three case studies of Bromley Children Looked After. Two of the three young people had been unknown to the Local Authority prior to entering care.

**Recommendation 6: That Officers continue the positive recruitment campaign in 17/18 to continue to increase the number of in-house foster carers.**

**Recommendation 7: That research be conducted as to how earlier intervention can prevent teenage children coming into care.**

### **3.6.3 Availability of Secure Beds**

3.6.3.1 The Committee notes that during the last year there have been a small number of cases where children have met the threshold for a secure placement but where there were either no places available from the secure estate or the children were deemed ‘too risky’ and would impact on the dynamics of children already in placement. It is often that on any one day there can be up to 30 referrals from across the country for 1 or 2 beds. If a secure bed is not available then the cost to the Local Authority can significantly increase to around £8,500 per week with the on cost of support workers.

3.6.3.2 There is a national challenge around availability and access to secure beds. The result of the inadequacy of the market to meet the high demand often results in young people having to be placed in other, non-secure provision with a high, and therefore costly, ratio of staff to child.

**Recommendation 8: That consideration be given to whether, in conjunction with other local authorities in London and the Home Counties, a joint venture to build secure accommodation for participating authorities could be pursued.**

### **3.6.4 Unaccompanied Asylum Seeking Children**

3.6.4.1 A further pressure on the budget that is outside of the Council’s control is that of Unaccompanied Asylum Seeking Children (UASC). The Council currently cares for 26 such children and will not come off the pan-London rota until it reaches 53. The Committee notes that UASC placements are unpredictable. Some young people are placed within foster care if not age disputed whilst others are placed in Semi Independent but with a cost of 24/7 support initially. It is estimated that this additional growth will cost gross £1.2 per annum. Whilst the Council would receive a grant of £800,000 this leaves a net cost of a minimum of £400,000 required to support the extra children.

3.6.4.2 One of the key issues facing the Local Authority is the inadequacy of the funding for unaccompanied asylum seeking children that is received from Central Government. The funding that is currently provided does not cover even the most basic costs such as placements let alone other costs associated with a child in care (such as the cost of a social worker). The Committee notes that no grant funding is provided for the first 25 unaccompanied asylum seeking children placed in the Borough. This adds further pressure to the Children’s Social Care budget as these costs have to be met from the already stretched Local Authority budget.

**Recommendation 9: That LB Bromley work with London Councils and the LGA to seek additional funding for unaccompanied minors to reflect the actual cost of care.**

**Recommendation 10: That LB Bromley work with London Councils and the LGA to lobby Government to lower the 25 cap below which no assistance is given for unaccompanied minors.**

### **3.7 Internal Influences on the Budget**

#### **3.7.1 Recruitment and Retention of Social Workers**

3.7.1.1 Undoubtedly, the Council's biggest asset is its hard working and dedicated staff. Over the past three years the Council Leadership Team has worked tirelessly to increase the number of permanent staff working for the Council. A stable, permanent work force will reduce financial pressure and will provide much needed stability to the children in the care of the Local Authority. Currently 80% of social work staff are permanent and the Committee notes the ambition of the Deputy Chief Executive to reach the target of 90% social work staff employed as permanent employees.

**Recommendation 11: That the Department continue to work to achieve at least 90% social work staff employed as permanent employees.**

### **3.8 Conclusion**

3.8.1 There is little doubt that pressures on the Children's Social Care budget will continue to grow. The budget will remain volatile as a result of the demand-led nature of the Service and influences on the budget which are often outside the control of the Local Authority.

3.8.2 It is essential that, in order to deliver high quality services, consideration is given to redesigning the way in which these essential services are provided. The Committee is hopeful that some of the recommendations it has identified will go some way to addressing these future financial challenges.