

Executive Summary

Analysis by the Local Government Association (LGA) has revealed that in 2015/16 75% of councils exceeded their children's social care budgets. At the same time, the LGA said, councils have seen a 140% increase in child protection inquiries over the past 10 years and demand continues to rise.

Sheffield has been responding to the growing financial crisis in children's social care, including reducing costs where we can and exploring and implementing new ways of working. Our model of "the right level of support by the right service at the right time" has been effective over a number of years with consistent lower numbers of Children in Care (CiC) per 10,000 population. In 2016, Sheffield had 46 CiC per 10,000 compared to 82 for Core Cities, 63 for Yorkshire and Humber, 74 for Statistical neighbours and 60 for England average.

Since 2010, whilst demand has continued to grow, and we have experienced the significant additional loss of grant funding such as Sure Start and Early Intervention Grant, the portfolio and Children and Families Service in particular has maintained a balanced budget until 2016/17. The subsequent unprecedented increase in demand has created financial pressure that requires further longer term strategy and investment.

Our model of demand management has been effective but is also dependent on universal services; changes to universal services impact on successful management of demand. The impact of spending decisions relating to universal services cannot be ignored. Demand for children's social care services will almost certainly increase as a result of reduced expenditure on universal services such as health, education, housing and benefits.

Within this context, as at July 2017, the Children and Families Service is forecasting an over-spend of £11m in the financial year 2017-18. The service has developed financial recovery plans, service performance and improvement plans to address both the in-year position and the medium-term financial outlook for the service. Due to the nature and the complexity of issues, this overspend position cannot be addressed within the current financial year. The actions identified in the report will deliver long term savings to address this overspend and manage future growth. However this will take a number of years and requires investment into initiatives as identified in the 2017/18 budget process as part of the Strengthening Families Change Programme.

1. PROPOSAL

1.1 Purpose of the paper

This paper is to update Members on the current challenges within children's services, the actions being both undertaken and planned to address these and the national context in which the service is currently working.

1.2 Context

The authority is responsible, along with partners, for ensuring that children thrive in a safe environment. We achieve this by supporting families early, to prevent escalation to crisis point, with timely service provision focused on building on family and child strengths and resilience. The service delivers the council's statutory responsibility to intervene in securing children's safety through a range of interventions. The service delivers support to families to enable them to thrive and to stay together, wherever possible. For those children who can no longer remain within their family the service performs the function of corporate parents.

1.3 Sheffield's children's services have been proactive in developing an integrated service from early help through to statutory interventions, looked after services and care leavers. This model has been developed over a number of years and has effectively supported the management of demand across specialist care services at a time when there has been a national increase in social care workloads and the number of children in care.

1.4 Since 2010, whilst demand has continued to grow, and we have experienced the significant additional loss of grant funding such as Sure Start and Early Intervention Grant, the portfolio and Children and Families Service in particular has maintained a balanced budget until 2016/17. The subsequent unprecedented increase in demand has created financial pressure that requires further longer term strategy and investment.

1.5 As at Month 4, the Children and Families Service is forecasting an over-spend of £11m in the financial year 2017-18. The service has developed financial recovery plans, service performance and improvement plans to address both the in-year position and the medium term financial outlook for the service.

1.6 The current position in Sheffield reflects a national position. Analysis by the Local Government Association (LGA), which represents more than 370 councils in England and Wales, has revealed that in 2015-16 75% of councils exceeded their children's social care budgets by a total of £605m. At the same time, the LGA said, councils are dealing with an unprecedented surge in demand for children's social care support, with a 140% increase in child protection inquiries in the past 10 years.

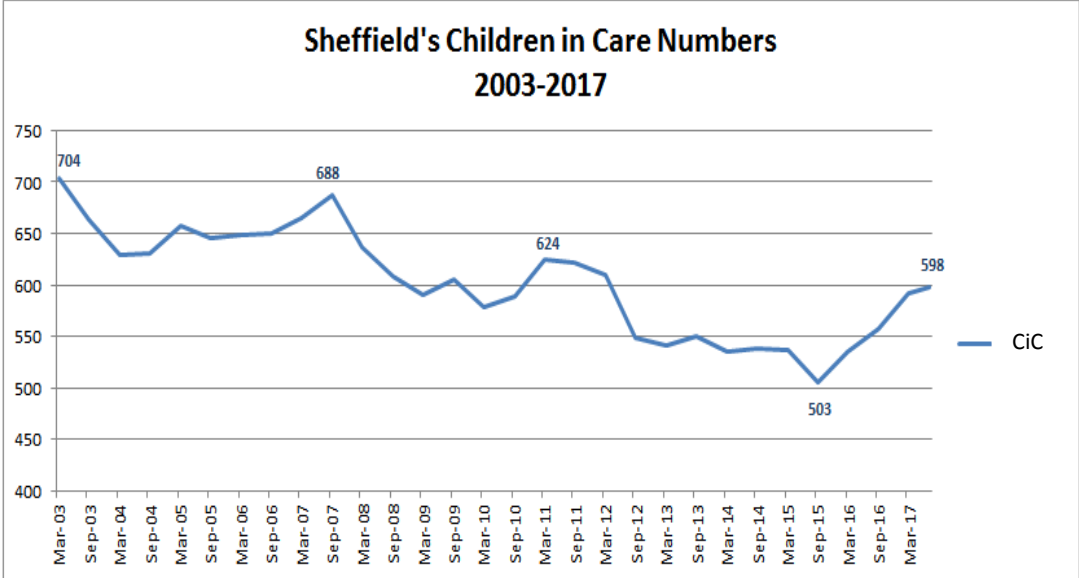
1.7 Since 2012-13, there has been an increase in the number of referrals to both Multi-Agency Support Teams (MAST) and Social Care. This has had a cumulative impact on overall capacity within the service with increasing numbers of children receiving support and interventions from the service across the whole range of activities.

1.8 The number of Children in Care (CiC) has seen a gradual reduction since October 2007 after they reached levels equivalent to the peak of 700 in 2003. This coincides with the

beginning of the refocus on prevention and early help, with integrated teams and the development of the MAST service. MAST and the partners they work with aim to provide seamless and safe support to children and young people, giving them help at an earlier stage, rather than entering crisis services at a late stage. Throughout this period of time, services improved and initiatives to strengthen families were developed, from the early years through to young adulthood. However the increasing impact of austerity, along with national and international policy changes, has had a gradual impact on service delivery and subsequent demand for services across the whole system.

1.9 The number of children becoming looked after since February 2016 has seen a marked increase. Since this date numbers have increased month on month. At the end of July 2017, the total had reached 597, which remains below the peaks reached in 2007 and 2003. The steep increase from February 2016 to April 2017 has created significant pressures on resources and, as a consequence, placement costs, which continues despite the significant reduction in the rate of increase over the last 4 months.

Figure 1. Sheffield Children in Care (CiC)



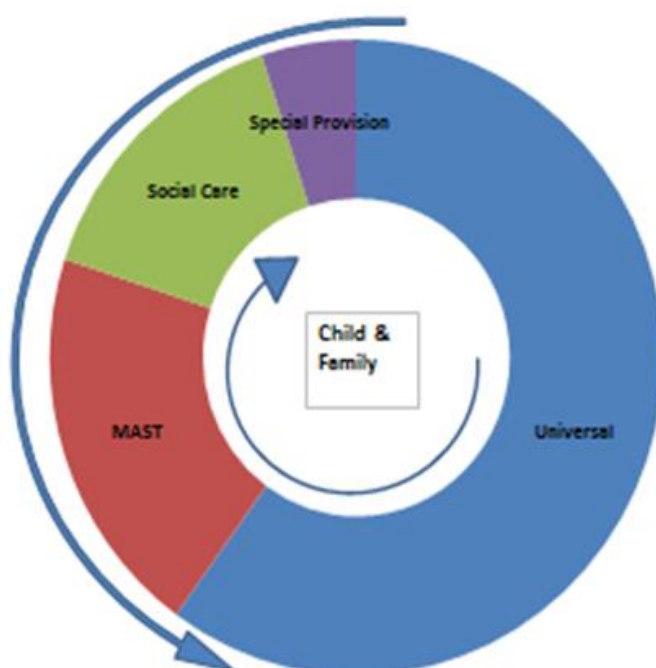
1.10 This recent increase mirrors the national picture which has seen an overall increase in the numbers of children in care. Analysis of this upward trend, including sampling assessments of children coming into the care system, shows us that this steady increase includes a growing number of older and more complex children entering the system. The recovery plan and investment initiatives have identified the need to focus on developing services to support families with teenagers to prevent this continued increase.

1.11 The nature of the children entering the care system will also require us to refocus the types of interventions/resources that we have available to support children to remain in Sheffield, whether in council resources or private providers' provision. The current nature of the provision has been insufficient to meet the need locally, forcing the service to purchase an increasing number of out of city placements, increasing the financial pressures.

- 1.12 Demand for services is growing at all levels and, whilst we have previously managed to maintain a stable numbers of Children in Care for many years, the number of children in our care has recently increased. Changes in national policy have resulted in additional pressure on budgets and availability of local placements, for example Leaving care services extended to 25 for young people in university. The Staying Put legislation is designed to enable those looked after remaining with foster carers after their 18th birthday and until they reach 21. This is positive for the young person, improving stability and supporting their transition to adulthood, however the primary impact on these arrangements to the local authority is that there are additional costs to support these placements and carers are losing capacity to foster, as the young person staying in the home takes up a bed that was previously available to foster a child. While some national funding is available, this is often not sufficient to deal with the pressure faced. In addition, the international refugee crisis has resulted in additional pressure on local services due to an increased influx of refugees and asylum seekers to the city and the region which has reduced overall capacity for Sheffield and South Yorkshire children. National funding is insufficient to meet costs.
- 1.13 Requests for support or referrals are based on a continuum of need. A key objective for Children and Families Service is to increase the number of families who have their needs met by universal and targeted resources, and thus reduce the number of families needing specialist or acute intervention (see figure 2).
- 1.14 The primary aim is to promote the early identification of children with additional needs, and deliver high quality preventative and supportive services to enable children to continue living successfully and safely with their families and communities. Our strategy has been, and continues to be, to deliver the right level of support by the right service at the right time.

Figure 2. Service Delivery Model

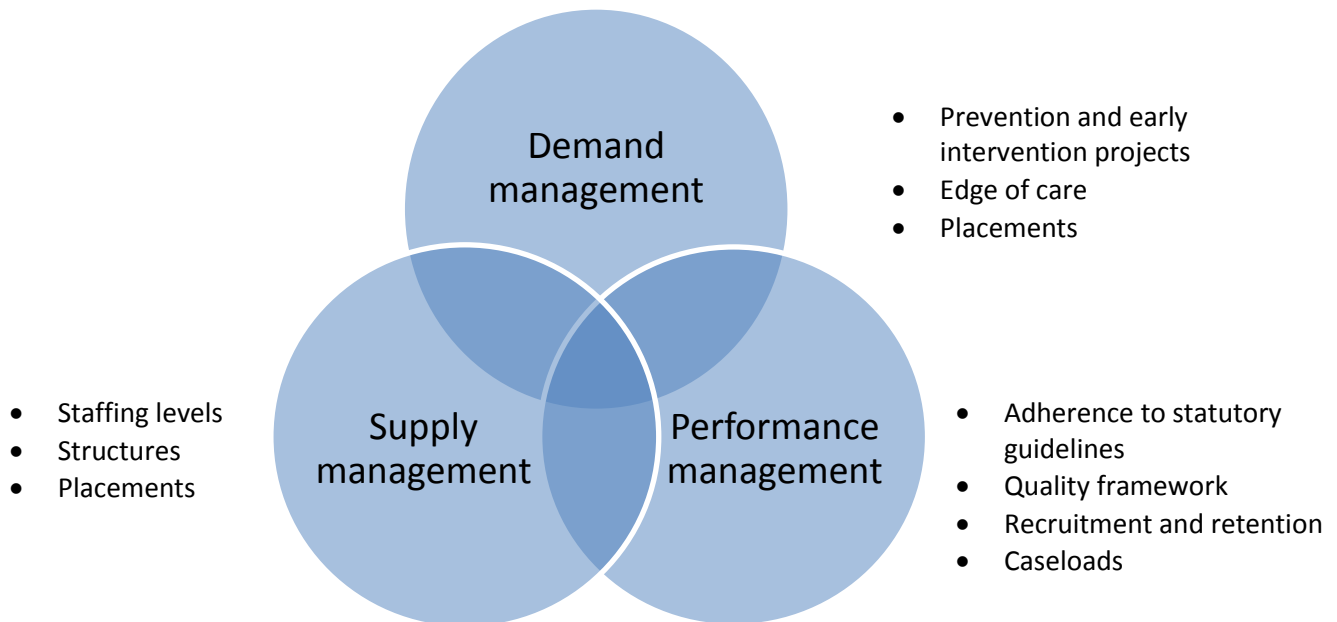
Right level of support by right service at the right time.



- 1.15 This strategy has been effective and we have a track record of lower Children in Care per 10,000 population over a number of years compared to Core Cities, statistical neighbours and the England average. In 2016, Sheffield had 46 LAC per 10,000 population compared to 82 for Core Cities, 63 for Yorkshire and Humber, 74 for Statistical neighbours and 60 for England average. This is despite substantial budget reductions since 2010.
- 1.16 In addition to an increase in demand for support, we have faced several unforeseeable challenges in the last 2 years; instability in leadership, financial reductions and loss of a significant number of social workers to other local authorities, in particular to neighbouring authorities in special measures who have offered higher pay scales and guaranteed lower caseloads.
- 1.17 The Sheffield Safeguarding Hub (formerly known as the Integrated Front Door) is now the first point of contact for all new safeguarding concerns. The Hub was developed to improve our response to concerns about vulnerable children, young people and adults by providing a more integrated and seamless service, enabling safe and secure data sharing between professionals. The first contacts are key to identifying timely next steps to prevent inappropriate crisis interventions, reducing the likelihood of entry into care. The integration of the new working practices into the whole partnership will be an important part of ensuring that we respond in a timely but safe way to children.
- 1.18 Following the launch in April the Hub is in the process of being embedded, and has yet to show a real impact on referrals into MAST and Social Care. Professionals are co-located but we need to embed further collaborative working between professionals within the local authority, police and health. This is a key focus of improving the practice and outcomes for families. As part of the ongoing development a peer review has been carried out in August and will be used to create a Multi-agency Hub development plan.
- 1.19 **Current Action to recover our financial position**
A number of plans and proposals are in place, designed to take immediate action to assist in addressing the financial pressure, develop new initiatives to support families and to improve the practice within the service. The service has undertaken a 'Stocktake' to inform development and investment needs, which included consultation with staff, partners, children and carers. This will also support the service in preparing for future Ofsted inspections.
- 1.20 The investment that has been agreed and attached to the Strengthening Families Change Programme aims to reduce the number of children and young people in care and reduce expenditure over the next 5 years. The approach is building on the council's vision of prevention and early intervention using innovation and transformation. These services work with the child and family to develop resilience, build on strengths and prevent risks, to stabilise the situation, reducing the number of children and young people entering the care system where it can be safely avoided. It is recognised that issues cannot be resolved in one year and therefore we have developed a five year plan which was agreed as part of 17/18 budget setting process. Services continue to be child-focused and therefore some actions will need to take account of the impact on the child and their plan as well as the service requirements and demands.

- 1.21 The identified initiatives have been incorporated into a single Children and Families Improvement Action Plan. This plan covers demand, supply and performance management, addressing workloads, quality of provision, workforce and quality of practice.

Figure 3. Current workstreams



1.22 Demand management

We are continuing the development of prevention and early intervention, strengthening the resilience of parents and children. We are working to reduce referrals to social care, and the number of children entering looked after system by delivering earlier support and the development of several evidence-based programs. Based on working successfully with families on the above initiatives the aim is to reduce existing demand by a total of 125 children not placed in our care who would, without these initiatives, have become looked after, saving an estimated £16.7m over 5 years.

- **Fresh Start Programme** - working with expectant parents who have already had children removed to prevent repeat removals. This should provide better outcomes through alternative support and avoid the need for 36 long term placements over the next 5 years.
- **Domestic Abuse Project** (previously known as Growing Futures) and other **Parenting Support Programmes** addressing parental resilience aim to avoid the need for 44 long term placements in the care system over 5 years.
- **Family Group Conferencing** - restorative practice techniques to work with families subject to early legal action or child protection plans, to reduce risk by engaging wider family and community supports. We aim to successfully and safely prevent the need for a further 20 long term placements over 5 years. We are also looking at expanding this service to support families to prevent entry into care and reunification of children back with families.

- **Multi Systemic Therapy** - an intensive programme working with 11+ year olds to reduce risk of removal from family due to social or behavioural issues. Through MST we aim to provide alternative support to keep families together safely, and avoid the need for a further 25 long term placements over 5 years.
- **Reunification programme** - working with children currently in care to return back to their families through identification of appropriate kinship care. We are using an evidence-based assessment Tool (Taking Care) with children and their families to enable them to safely return to their family home.

1.23 **Supply management**

We are redesigning and investing in the availability of resources within Sheffield, across the partnership, to ensure the right resources are available for maintaining Sheffield children in Sheffield. We are working to reduce the demand for external placements whilst ensuring appropriate sufficiency of placements to meet changing needs. This will be achieved through;

- Increasing the numbers of local authority foster carers through development of a comprehensive package of support which will include wraparound support for foster carers, training packages and benchmarking fostering allowances.
- Re-negotiating relationships with providers to develop partnerships focused on the needs of children, ensuring that we have places available for Sheffield children in Sheffield.
- Partnership working within the portfolio and across other statutory bodies to develop capacity e.g. increasing range of post 16 provision and housing support for care leavers.
- Invest to save; seeking funding opportunities both internal and external to deliver changes, including potential capital investment.

1.24 We are working to increase the number of in-house fostering placements, recruiting over 70 new Foster Carers over the life of the programme. We are also working closely with colleagues across the authority to increase the housing and accommodation stock and develop seamless accommodation solutions for Care leavers in the city.

1.25 **Performance management**

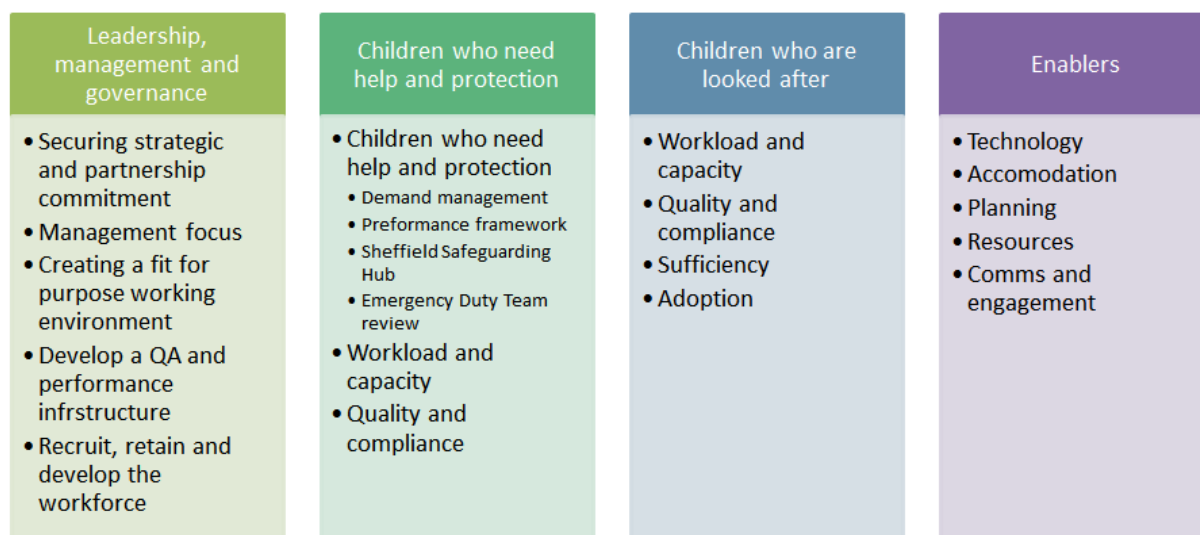
Having the right number of staff and an appropriately-trained workforce is a critical determinant in improving the quality of service delivery. We are committed to ensuring that the authority continues to meet its statutory duties consistently and to a high standard. We are looking to invest in our staff to ensure strong practice and good quality risk management, delivered in a consistent manner across the whole partnership, ensuring children and their families receive support in a timely manner. This will be achieved through;

- Developing a robust workforce strategy
- Developing consistent practice standards across the system in delivering good

quality assessment and planning processes, to deliver change to children and their families.

- Investment in Signs of Safety across the system; an evidence-based social care approach to managing risks, focusing on families' strengths. This approach compliments other investments being developed.
- Embedding of stronger monitoring processes around need, supply and demand to impact on financial pressures.
- Invest in our social care workforce to relieve some of the administrative burden on social workers and reduce their caseloads, which are currently considerably higher than would be expected to achieve consistent practice standards.
- Continued financial rigor and performance management, challenging partners and providers to ensure shared costs and value for money.

Figure 4. Improvement Action Plan



2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The proposals and plans detailed herein contribute to all 5 of the Corporate Priorities detailed in the Corporate Plan 2015-18. The primary focus of improving the health and wellbeing of families across Sheffield by providing the right services at the right time and in the right place, ensures we are able to meet increasing (and increasingly complex) demand. To achieve better health and wellbeing we will become a more in-touch organisation and contribute to thriving neighbourhoods and communities and a strong economy. Finally, the focus of this work is very much about meeting the needs of the most vulnerable, therefore tackling inequalities and redressing equity of service.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 In general, we are not significantly changing or reducing service delivery from the viewpoint of the service user so consultation has not taken place. Should this change, we will consult with Legal and add consultation to the timeline. Ongoing communication is

taking place with staff across the organisation to keep them abreast of the developments and our approach.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010. This is the duty to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation

The Equality Impact Assessment (EIA) is being prepared and will be ready in time for Cabinet. The initial views from the Programme Management Team are that proposals are focused on access to services and equity of service and therefore any impact to service users would be positive. Detailed EIA's will be required for individual projects.

4.2 Financial and Commercial Implications

The Children & Families Service is currently forecasting to overspend by £11m by the year end. The reasons for this are highlighted in the report around the increasing number and costs of placements for looked after children and the associated pressures that brings in supporting budgets such as fieldworker caseloads, legal, transport and contact time.

The actions identified in the report will deliver long term savings to address this overspend and manage future growth. However this will take a number of years and requires some investment into initiatives as identified in the 2017/18 budget process as part of the Strengthening Families change programme.

The table below shows the 5 year impacts of in year pressures and future anticipated pressures for the services, along with the savings currently identified to mitigate these. The Service will spend more than the budget available, coming back to near balance by year 5 (2021/22).

Pressures	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000
Growth in Client Costs	11,801	250	250	250	250	12,801
Loss of Income		650				650
Repayment of one off funding			4,000			4,000
Other		370	370	370	370	1,480
New pressures in year	11,801	1,270	4,620	620	620	18,931
Total Pressures	11,801	13,071	17,691	18,311	18,931	

Savings Proposals	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000
CIC Placements	-507	-1,200	-1,501	-1,617	-1,617	-6,442
Supply Increase Capacity	-244	-1,342	-1,342	-1,342	-937	-5,207
Caseloads Management		-93	-266	-276	-276	-911
Additional Recovery plans action		-3,493				-3,493
Temp staffing ends			-1,926			-1,926
In Year Savings	-751	-6,128	-5,035	-3,235	-2,830	-17,979
Total Savings	-751	-6,879	-11,914	-15,149	-17,979	
Overspend in year	11,050	6,192	5,777	3,162	952	

4.3 Legal Implications

The Council has a number of duties towards children in need, children in care and care leavers, under the Children Act 1989 as amended by other legislation including the Children and Young Persons Act 2008 and the Children and Families Act 2014. There are no proposals within this report that suggest these duties cannot be met.

4.4 Other Implications

- HR – on areas of the plans/proposals where changes are proposed to staff, consultation will take place as part of the Achieving Change process.
- Ofsted - local authorities' children and family services are subject to regular inspection by Ofsted and the next inspection is due later this year or early 2018. The issues identified in this report are likely to feature significantly in an inspection, and Ofsted will require clear actions to address areas of improved performance required against the inspection framework.
- Cumulative impact – this will be assessed through the EIA.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 We have explored the increase in demand, where it is coming from and what is available to us to better enable us meet this. The overspend projected is linked to this increase in demand for services. Demand is increasing nationally. We have previously been successful in continuing to meet demand with lower budgets and less capacity. We are not excluding any viable options at this stage.

End