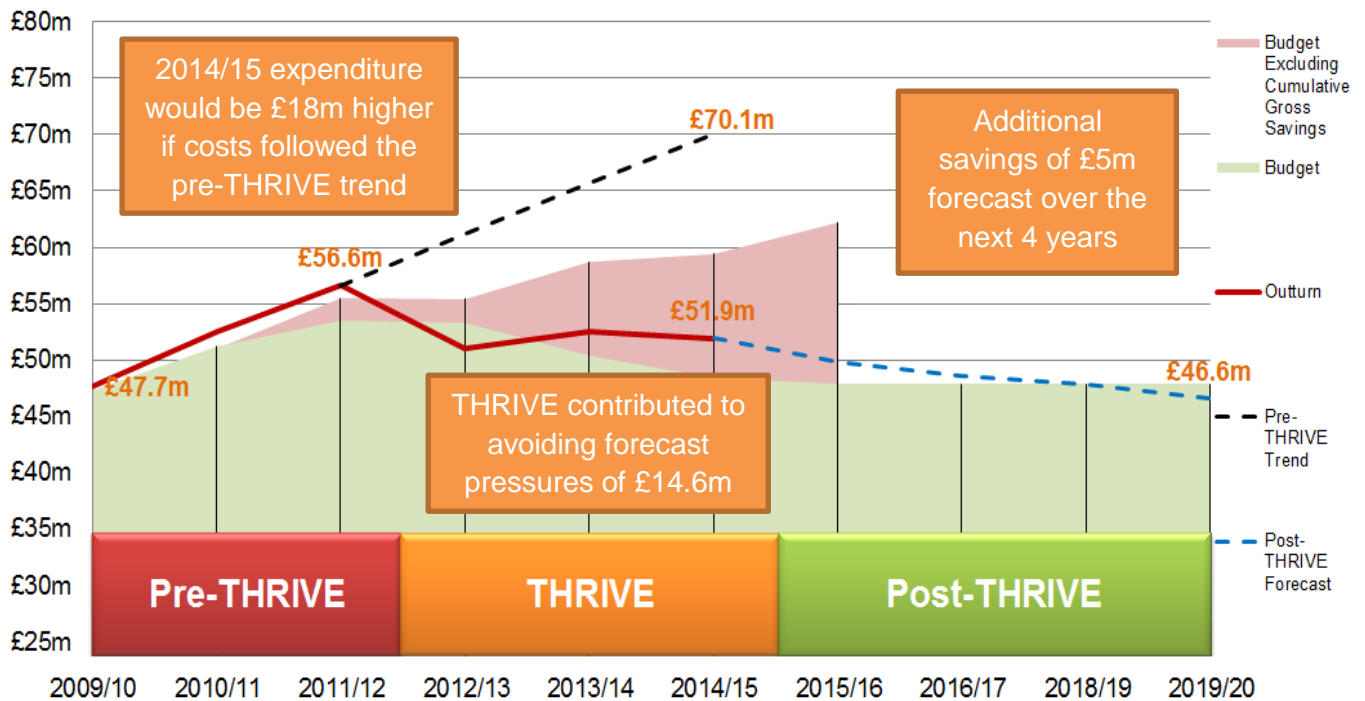




Finance and Performance Review



Impact of THRIVE



What did we aim to do?	What was performance?	End of THRIVE performance	Percentage Change	Did we do it?
Reduce the number of initial contacts	1,901 per 10,000 children	2,438 per 10,000 children	28% ↑	✗
Reduce the number of referrals	1,677 per 10,000 children	375 per 10,000 children	78% ↓	✓
More children receive targeted support from Early Help	5,520	6,592	19% ↑	✓
Reduce the number of assessments	663 per 10,000 children	257 per 10,000 children	61% ↓	✓
Reduce the number of Child Protection Plans	65 per 10,000 children	45 per 10,000 children	31% ↓	✓
Fewer Looked after Children	620	548	12% ↓	✓
More 'in house' foster carers recruited	23	41	78% ↑	✓
Reduce use of agencies for supervised contact	21,558	638	97% ↓	✓
Increase the number of adopters recruited	21	50	138% ↑	✓

1 Background

- 1.1.1 The THRIVE programme was established against a background of escalating demand and costs for Children's Social Care. The Outline Business Case (OBC) projected rising costs over a three year period (2012/13 to 2014/15) of £14.6m if the Council did nothing.
- 1.1.2 The long-term aim of THRIVE was to ensure that the Council has a financially sustainable children's safeguarding system which acts in a proportionate, timely and effective way to reduce risk and address the needs of children and young people. THRIVE focused on transforming practice and reducing the volume of children in the system, by safely reducing children's need for social care intervention and improving help for families before their needs require social care involvement.
- 1.1.3 The £9.7m reserve approved for THRIVE has been used to support three strands of activity:
- Investment funding to transform the way Children's Services works - £4.1m
 - Pressure funding to offset overspends incurred until transformations take effect - £5.0m
 - Programme support for THRIVE and organisational development - £0.6m
- 1.1.4 Within this, the 2012/13 allocation of £2.4m was not drawn down from the reserve because Children's Services as a whole underspent that year. However, having the THRIVE funding available gave Children's Services the confidence to invest in changes to practice and culture that would lead to the greatest likelihood of a successful programme.
- 1.1.5 This report investigates goal three of the THRIVE theory of change - reduced demand for high cost services, by looking at changes that occurred since the start of the THRIVE programme. To assess this, data on volumes and the cost of services has been compiled for a variety of services within Children's Social Care.
- 1.1.6 This report follows the journey of the child through initial referral to assessment, moving from Early Help to becoming looked after by the Council, followed by supervised contact with the birth family and ultimately being cared for by family or friends or adopted.

2 Initial Contacts and Referrals

2.1 Background and Targets

- 2.1.1 An initial contact is where contact is made with the screening teams because there are concerns about the welfare of a child. A referral is accepted when the required response is at level 4 of the Continuum of Need (CoN). The OBC targeted a reduction in the number of initial contacts and referrals to levels comparable with those in Statistical Neighbours (SN). Not all other authorities count these measures in the same way as the Council.

2.2 Financial and Activity Performance

- 2.2.1 Work on definitions and on transfer of cases from initial contact to referrals has resulted in the following:
- Initial contacts have increased by 28% (from 1,901 per 10,000 children¹ to 2,438)
 - Referrals have decreased by 78% (from 1,677 per 10,000 to 375) and are now below levels seen in SN (483 per 10,000) and that expected by IDACI² (548 per 10,000)

¹ All figures quoted per 10,000 children refer to the population of 0-17 children in East Sussex. This currently amounts to 104,896 children as per ONS Mid-Year Population Estimates published in July 2014.

Table 1. Initial Contacts and Referrals per 10,000 children

	OBC Baseline	Do nothing assumption	Projected impact of THRIVE	March 2015 Outturn	Impact of Change
Initial Contacts	1,901	2,361	950	2,438	Negative
Referrals	1,677	2,078	603	375	Positive

2.3 Conclusion

2.3.1 Whilst initial contacts have risen since the beginning of THRIVE, this change has not led to an increase in the number of children ultimately receiving high cost services. Initial contacts require staff time and there are plans to reduce them, along with development of an Early Help Hub and a Multi-Agency Screening Hub (MASH).

2.3.2 A review of the Screening Hub has been completed, which identified high levels of contact at levels 1 and 2 on the CoN. An action plan has been implemented in January 2015, which has seen significant reductions in contacts from the Police – initial contacts from the Police fell from 40% of all initial contacts in December 2014 to 27% in March 2015. From 2015/16 this action plan will be replicated for other agencies.

2.3.3 The significant reduction in the number of referrals is partly because there has been a change in what the Council counts as a referral, to bring the Council more in line with other authorities. The outcome is that referrals better merit the level of intervention they receive, leading to more effective use of staffing resources.

2.3.4 Changes in the number of referrals also do not directly result in a change in the demand for high cost services. However, this measure appears to be a better barometer of future activity than initial contacts. So the continued reduction in numbers is a positive sign for future demand of high cost services.

3 Early Help

3.1 Background and Targets

3.1.1 Early Help provides targeted services to improve children's lives, prevent families from needing social care services, and keep families together where possible. Early Help is provided predominantly to children at level 3 of the CoN.

3.1.2 The Early Help service was developed during THRIVE and experienced further changes in practice and resources when the Troubled Families (TF) 1 programme started. This means there is limited or no comparable data prior to 2012.

3.1.3 In 2012/13 it was agreed that investment in one to one whole family work and work with families who had children of primary school age should increase. This was achieved through a combination of refocusing the Children's Centre budget and using THRIVE investment to increase the Family Support Keywork Service.

² IDACI stands for Income Deprivation Affecting Children Index. It ranks areas in England from the most to the least deprived. IDACI expected rates are calculated using statistical techniques that compare variables. Children's Services use IDACI expected rates to measure itself against comparable authorities. All IDACI and SN figures are March 2014 figures. March 2015 figures will not be available until October 2015.

3.1.4 The OBC targeted an increase in the scale and effectiveness of Early Help to avoid statutory intervention. THRIVE set a target that for 2014/15 the number of children getting one to one targeted support should at least match 2013/14 performance and to increase the percentage of children who go on to have social worker involvement who have previously received Early Help services to 50%, i.e. to reduce the number of children who come directly into social care teams without prior input.

3.2 Financial and Activity Performance

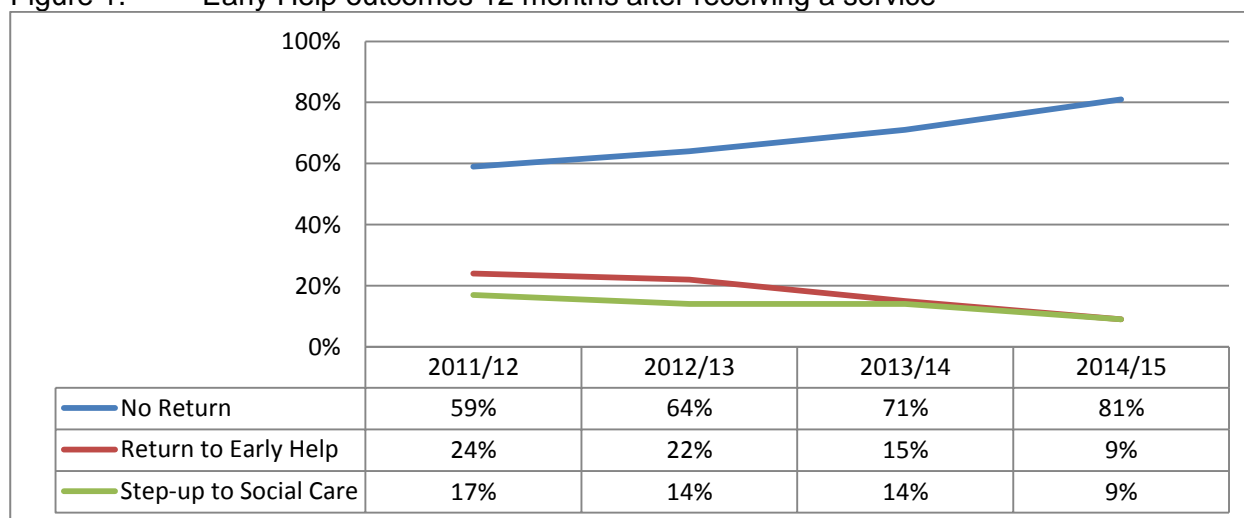
3.2.1 The number of children receiving targeted support from Early Help has increased by 19% - from 5,520 in December 2012 to 6,592 in March 2015. This is 6% above the target of 6,232.

3.2.2 The number of children who are judged to require a Child in Need (CIN) or Child Protection (CP) Plan following a Family Assessment by social care teams who have previously received Early Help has increased from 36% in June 2013 to 49% in March 2015, which is marginally below the target of 50%. Some children will always progress through the CoN to eventually require social care intervention. That Early Help have increased their involvement in these cases demonstrates that it is more effectively targeting its resources at the children most in need, where this earlier intervention could result in better outcomes for the children and reduced demand for higher cost services further down the line.

3.2.3 Investigation into what happened to children in the 12 months after Early Help services were provided concluded that:

- Children are increasingly likely to need no further services
- Children are less likely to return to Early Help services
- Children are less likely to step-up to social care

Figure 1. Early Help outcomes 12 months after receiving a service



3.3 Conclusion

3.3.1 The Early Help system has met or is close to meeting its targets, with more children receiving support and an increase in the percentage of children getting Early Help before they require Social Care support, with plans to increase this even further. Outcomes from the service are also improving as fewer children receiving Early Help go on to require further services within the following 12 months, with a sharp decline in those requiring high cost social care services. Auditing of cases has provided further evidence that increasing number of families are not going on to receive social care services or going back to Early Help, leading to the conclusion that Early Help services are preventing need for services, rather than merely postponing it.

- 3.3.2 These changes contribute to a reduction in demand for high cost services as a result of proportionally fewer children stepping up to social care. Sustainability will be enhanced as proportionally fewer children return to Early Help, so more resources can be focused on helping new children, or providing more intensive support to those who need it most.
- 3.3.3 Early Help was successful in "turning round" the lives of over 1,000 TF eligible families - the target number for TF1, ESCC is one of only six local areas to achieve this ahead of time. The significant restructuring of Early Help services through THRIVE was crucial to this achievement. In addition, a large number of other families not technically eligible under the programme have been supported.
- 3.3.4 Change will continue over the next year as TF1 is replaced by TF2 and as the family keywork methodology is embedded. For the next phase of TF, the Council will need to identify and work with 3,570 families between 2015/16 and 2019/20.

4 Assessments and Continuing Social Care Support

4.1 Background and Targets

- 4.1.1 Family assessments by social workers are required when the presenting needs are at level 4 on the CoN. The family assessment itself is an intervention which often reduces the needs of a child, but if the outcome of the assessment judges that a child continues to have level 4 needs, then continued support from social care is required and the child formally becomes a Child in Need (CIN) and an outcome focussed Child's Plan is produced.
- 4.1.2 When the situation does not improve with a CIN plan, a multi-agency Child Protection Plan (CP Plan) will be considered as the next step. After that, if there is still insufficient improvement and the child remains unsafe, formal notice will be given to parents that the Council will consider an application to Court. If even then the parents do not make the necessary changes, legal proceedings will be issued with the potential outcome of a Care Order and the child becoming Looked After (LAC).
- 4.1.3 The OBC targeted a reduction in the number of assessments. THRIVE set the following targets to be achieved by March 15:
- Family Assessments should be fewer than 384 per 10,000 children
 - Number of CP Plans should be fewer than 48 per 10,000

4.2 Financial and Activity Performance

- 4.2.1 The way that assessments are recorded has changed during the THRIVE programme³. The OBC target was to match the performance levels of SN, and as they use the same definition as the Council we can compare performance.
- 4.2.2 The number of assessments has reduced to 257 per 10,000 (2,692), which is lower than the OBC target of 449 per 10,000 (4,658), the THRIVE target (384 per 10,000), SN levels (540 per 10,000) and that expected by IDACI (558 per 10,000).
- 4.2.3 The number of CIN has increased from 209 per 10,000 children to 237. Although the THRIVE target has not been met, the number of CIN is less now than in SN (287 per 10,000) and the IDACI expected rate (338 per 10,000). A subset of CIN - those allocated to Family Support Teams (FST) and Youth Support Teams (YST) has decreased by 23% from 122 per 10,000 children in March 2012 to 94 per 10,000 in March 2015.

³ Family Assessments replaced Initial Assessments and Core Assessments in 2012/13, which was a national change in recording

4.2.4 The number of children subject to a CP Plan has reduced to 45 per 10,000 (469 plans). This performance is lower than the THRIVE target and was achieved by implementing an action plan. The plan included challenging the ongoing high levels of children with CP Plans and agreeing ways to reduce the number of children with a CP Plan safely, for example, working with Independent Reviewing Officers and Child Protection Advisers to reinforce other robust planning mechanisms to safeguard children. Many of these children remain CIN and continue to be supported by social workers with robust CIN plans.

Table 2. Assessments, CIN and CP Plans per 10,000 children

	OBC Baseline	Do nothing assumption	Projected impact of THRIVE	March 2015 Outturn	Impact of Change
Assessments	663	831	449	257	Positive
CIN	209	-	188	237	Negative
CP Plans	65	81	40	45	Positive

4.2.5 The average caseload per FST and DAT worker has decreased by 10-15% between 2011/12 and 2014/15, reflecting the reduced demand for social care assessment and better targeting of social work support to children with complex needs at level 4 on the CoN. Although caseloads are lower the complexity of work has increased. Over the same period, staffing costs of the Duty and Assessment Teams (DAT), FST and YST have reduced by 11%.

4.2.6 The number of care proceedings issued has decreased by 23%, from 87 in 2012/13 to 67 in 2014/15. In line with the Family Justice Review, the Council has worked with the courts to reduce the duration of court proceedings to 31 weeks in 2014/15. This has been accompanied by a reduction in the legal costs of care proceedings of 68% (£428,000) between 2011/12 and 2014/15.

4.2.7 The number of in house specialist assessments undertaken by SWIFT has increased by 167% since 2012/13 (from 322 to 860) and now significantly exceeds the THRIVE target of 400 per year. This has been accompanied by a 91% decrease (£480,000) in the cost of externally commissioned expert assessments between 2011/12 and 2014/15.

Table 3. Net cost of social work teams, legal fees and expert assessments

	2011/12	2012/13	2013/14	2014/15	Impact of Change
DAT, FST and YST staffing costs	£5.7m	£5.4m	£5.4m	£5.1m	Positive
External Legal Fees for Care Proceedings Activity	£0.632m	£0.499m	£0.519m	£0.204m	Positive
Externally Commissioned Expert Assessments	£0.526m	£0.157m	£0.050m	£0.046m	Positive

4.3 Conclusion

4.3.1 The numbers of assessments, CP Plans and Care Proceedings have reduced since the start of the THRIVE programme, with many of the targets met and performance often lower than seen in SN or that expected by IDACI. The number of CIN did increase, but the number of CIN allocated to FSTs and YSTs decreased. CIN allocated to FST and YST require ongoing social work at level 4 of the CoN, whereas other CIN require less support, so this change should reduce the demand for high cost social worker resources.

- 4.3.2 The reduction in activity, coupled with good budget management, for example a reduction in agency staffing costs to zero in 2014/15, means the staffing expenditure on locality fieldwork has reduced to £5.1m. It is also more operationally sustainable as workers spend more time on each case and so bring about real change that means fewer children are becoming LAC.
- 4.3.3 Care proceedings are a good indicator of future LAC costs, as any child becoming subject to a Care Order becomes LAC. LAC placements can be very high cost – up to £5,000 per week for a specialist residential placement, therefore a decrease in the number of care proceedings suggests that demand for high cost services will also reduce.

5 Looked After Children: Care

5.1 Background and Targets

- 5.1.1 LAC numbers increased in East Sussex and in the whole of England between 2008 and 2011. The OBC predicted further increases in East Sussex, leading to additional costs of £7m over three years. The target was not only to avoid this increase, but to decrease costs by reducing LAC safely by 100 to 522 by March 2015. Additional savings were to be achieved by procuring foster care more effectively, which includes reductions in the number of parent and baby placements and in the number of children in high cost agency placements.

5.2 Financial and Activity Performance

- 5.2.1 The number of LAC has decreased by 12% since the start of THRIVE to 548 children (52 per 10,000 children) at March 2015. Although higher than the target, the Council is closer to SN (46 per 10,000 - ranking 9th out of 11) and performance is lower than that expected by IDACI (57 per 10,000).
- 5.2.2 As well as decreasing the overall number of LAC, the number of days that children have spent in care has also decreased by 11%, from 227,065 days in 2011/12 to 202,838 in 2014/15. The number of LAC admissions have reduced by 24%, from 209 in 2011/12 to 159 in 2014/15 and the number of days the newly admitted children spent in care has reduced by 42%, from 40,373 in 2011/12 to 23,351 days in 2014/15. This reduction is largely attributable to reduced time taken within the court system for care proceedings.
- 5.2.3 Although the rate of new children entering the system has reduced, there are a number of children in long term stable placements who are likely to remain LAC until they reach 18 years. Over time the older children will cease to be LAC and the 52% decrease in younger LAC will feed into a lower overall number of LAC, provided that the decrease in new LAC can be maintained.

Table 4. Age profile of LAC in foster care and residential homes

Age of Child	2011/12	2014/15
0 to 3	107	51
4 to 7	87	86
8 to 11	114	135
12 to 15	166	157
16 Plus	100	83

5.2.4 The number of in house foster carers recruited has increased to 41 new households in 2014/15, up from 23 in 2011/12. Fostering Network's most recent survey states that 12% of foster carers are lost nationally every year. The retention rate of the East Sussex Fostering Service is significantly better than the national average with only 2% of the Council's foster carers lost during 2014/15. The percentage of new foster placements being made with in house foster carers has increased from 85% of total foster care placements in 2011/12 to 94% in 2014/15. Since August 2014 no new agency foster placements have been made.

5.2.5 Between 2011/12 and 2014/15 there has been a 14% increase, from £646 to £736, in the average gross weekly cost of a LAC placement made by the Council. This compares to an 11% increase, from £827 to £921, in the cost of placements made by members of the CIPFA Benchmarking Club⁴.

5.2.6 The increase in the Council's average is a result of external agency placement costs increasing by 42% from £2,463 to £3,506, showing that a small number of expensive agency placements (25 of 512 placements in 2014/15) can significantly skew the average cost. The average cost of a Council placement, £736, remains 20% lower than the £921 average cost of members of the CIPFA Benchmarking Club.

Table 5. Average Gross Cost per Week of LAC Placements

	2011/12		2014/15	
	ESCC	Whole Club	ESCC	Whole Club
In House Fostering	£374	£424	£401	£474
Agency Fostering	£930	£849	£941	£894
In House Residential	£1,910	£2,636	£2,075	£2,856
Agency Residential	£2,463	£2,832	£3,506	£3,228
All Placements	£646	£827	£736	£921

5.2.7 The composition of LAC placements within East Sussex compares favourably to other authorities within the CIPFA Benchmarking Club. The Council has:

- Around half the proportion of agency residential placements (5% of ESCC placements against 9% for the whole club) – these are the most expensive placements
- Around 20% more of its placements with in house foster carers (69% of ESCC placements against 57% for the whole club) – these are the least expensive placements

5.2.8 The Council has been effective in reducing the number, duration and cost of parent and baby placements.

Table 6. Net cost and number of Parent and Baby Placements

	2011/12	2012/13	2013/14	2014/15	Impact of Change
Number of Placements	21	14	11	6	Positive
Net Cost of Placements	£521,000	£152,000	£199,000	£158,000	Positive

5.3 Conclusion

5.3.1 The number of LAC has decreased, but the reduction is not as great as was targeted. This is because there will be many years before the large number of children who were in stable placements prior to THRIVE exit the system. When the pre-THRIVE cohort leave the system, the number and cost of LAC could reduce significantly as there have been positive changes in the two elements of LAC numbers within the direct control of the Council, namely:

- A reduction in the number of new children in the system
- A reduction in the duration of time children spend in the system

⁴ The CIPFA Benchmarking Club comprises 73 Local Authorities in 2014

- 5.3.2 Given the high unit cost of these services, the decrease in LAC numbers contributes significantly to reducing the usage of high cost services. If the Council can maintain the reduction in the number of new LAC and the duration of placements, and children continue to leave LAC status through adoption, Residence Orders (ROs) and Special Guardianship Orders (SGOs) then the decrease numbers of LAC, and hence usage of high cost services, is likely to be sustained.
- 5.3.3 Over and above the need for budget reductions within the Council, the greatest challenge to the sustainability of LAC expenditure has been the increase in the cost of agency residential placements. As these placements cost £183,000 per annum on average, any increase in the numbers will place a disproportionate pressure on the budget. The reasons for the increase are complex, but the key drivers are believed to be to supply and demand:
- Reduced supply - as Ofsted requirements increased, a number of providers and particularly smaller providers went out of business
 - Reduced supply – Ofsted requirements are resulting in lower cost agencies declining to take the most complex children
 - Greater demand - increasing demand for placements in East Sussex and the surrounding area from Local Authorities further afield (e.g. London)
- 5.3.4 Action is being taken to reduce the number of new and existing agency residential placements, where this is possible. For example, when external placements have disrupted, children have been moved to in house options, leading to savings of more than £250,000 in 2014/15. Usage of agency residential placements has not increased - they comprised 5% of placements in 2011/12 and 2014/15, meaning that while the cost of the service has increased, relative demand has not.
- 5.3.5 In 2013/14 revised modelling was introduced to improve monitoring and forecasting of the main LAC costs (in house and agency fostering and residential placements, excluding disability placements). The model covers a 2015/16 budget of £10.8m, and although an overspend is forecast for 2015/16, because the number of children already in placements are higher than the available budget, significant cost reductions of nearly £4m are forecast between 2015/16 and 2019/20.
- 5.3.6 As a result of investment in the fostering team the Council has less need to use more expensive agency foster carers, meeting the OBC goal of better foster care procurement. Agency foster placements on average cost £28,000 more per year than in house foster placements, therefore any reduction in their use will lead to the Council avoiding unnecessary expenditure. Children's Services will continue to invest in the fostering team post-THRIVE, ensuring this trend is sustainable and that a more effective use of Council resources will continue.

6 Looked After Children: Supervised Contact

6.1 Background and Targets

- 6.1.1 Supervised Contact is a meeting of the child with family members, which needs to be supervised by a worker. Supervised Contact is for the benefit of the child, with the focus of the contact on the purpose and quality, not the frequency. A change in supervised contact was one of the 'just do it' quick wins identified at the beginning of THRIVE. During THRIVE, measures were introduced to reduce the use of agency supervision and there was a goal to work with the legal system to underline to the courts the need to concentrate on the needs of the child and thus to reduce the number of court mandated contacts, where appropriate.

6.2 Financial and Activity Performance

6.2.1 Expenditure has decreased by 34% from 2011/12, to £1.2m in 2014/15. During this time the proportion of expenditure on agency supervised contact has fallen from 64% in 2012/13 to 4% in 2014/15.

Table 7. Net cost of LAC Supervised Contact

	2011/12	2012/13	2013/14	2014/15	Impact of Change
Agency	£1.2m	£0.5m	£0.2m	£0.1m	Positive
In House	£0.6m	£0.9m	£1.1m	£1.1m	Positive
Total ⁵	£1.8m	£1.4m	£1.3m	£1.2m	Positive

6.2.2 Supervised contact volumes have reduced by 44% between 2012/13 and 2014/15, with the majority of this reduction in agency (97%) rather than in house (14%). The unit cost of supervised contact has increased by 50% over the same time period. The biggest increase is the agency unit rate (up 254%) with a smaller increase in the in house unit rate (up 43%). As usage of agencies for supervised contacts has reduced to zero by the end of 2014/15, the increase in the unit cost is not a cause for concern.

Table 8. LAC Supervised Contact volumes of activity and unit costs

	Volume of Activity			Unit Cost		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Agency	21,558	7,397	638	£23	£32	£82
In House	37,691	42,200	32,316	£25	£25	£35
Total	59,249	49,597	32,954	£24	£26	£36

6.3 Conclusion

6.3.1 The number and cost of supervised contacts has reduced in all three years of the THRIVE programme, leading to a more sustainable service. The increase in in house unit costs will be tackled by bringing non-LAC contact over to the service and will therefore increase activity and so reduce unit cost. Whilst not high cost at a unit level, the overall cost of the service mean that the savings made can be seen as contributing towards a reduction in demand for a high cost service.

7 Residence Orders and Special Guardianship Orders

7.1 Background and Targets

7.1.1 Where it is not safe for a child to live with their birth parents, every effort must be made to enable them to live within their network of family or friends. Particularly for older children, this can sometimes be achieved through a Residence Order (RO) or Special Guardianship Order (SGO), which give a family member or a friend legal parental responsibility for the child. Means tested allowances may be paid for RO and SGOs. While it can be more expensive than adoption where a means tested adoption allowance is not payable, the decision on which sort of permanence plan is most appropriate ultimately rests with a Court.

7.1.2 There were no specific targets relating to RO and SGOs, but RO and SGOs can contribute to decreasing the number of LAC, which was a target in the OBC. RO and SGOs are generally less expensive than fostering placements.

⁵ Figures exclude THRIVE funding to show the true cost of the service. Costs would be lower in 2013/14 and 2014/15 if THRIVE funding were included

7.2 Financial and Activity Performance

7.2.1 Between 2011/12 and 2014/15 the following changes have been observed:

- Family and Friends RO and SGOs financially supported increased by 58% to 340
- Annual increases in RO and SGO numbers have declined from 27% to 11%
- Cost of Family and Friends RO and SGOs increased by 62%, or £0.8m

Table 9. Family and Friends RO and SGO Net Cost and Numbers

	2011/12	2012/13	2013/14	2014/15	Impact of Change
Number of Family and Friends financially supported RO and SGOs	215	270	306	340	Positive
Percentage increase in RO and SGO numbers	27%	26%	13%	11%	Positive
Cost of Family and Friends RO and SGOs ⁶	£1.4m	£1.7m	£2.0m	£2.2m	Positive

7.3 Conclusion

7.3.1 RO and SGO activity and costs increased before and during THRIVE, which is part of a national trend. The sustainability of the increasing cost needs to be viewed from the perspective of what the alternative would be. In most cases the alternative to a paid RO or SGO allowance would be a fostering placement, which can cost significantly more. Therefore increasing the number of financially supported RO and SGOs should contribute towards making the overall cost of Children's Services more sustainable. However, for some very young children who would previously have been adopted it is increasing the costs and can be a long term financial commitment. Generally this decision is not within the gift of the Council and courts will sometimes make an RO or SGO against the care plan of the Council.

7.3.2 Very young children only account for around a third of new RO and SGOs, so overall increasing the number of RO and SGOs contributes to reducing demand for, or use of, high cost services. Despite the role of RO and SGOs in avoiding costs, the increasing cost of the allowances is putting increasing pressure on the budget and that pressure could increase over the coming years. To counteract this, Children's Services are investigating options that would retain the avoidance of higher cost services, whilst decreasing the pressure on the budget from paying the RO and SGO allowances.

8 Adoption

8.1 Background and Targets

8.1.1 Adoption is a pathway whereby very young children who cannot live safely within their birth family can find legal permanence through a substitute family. In certain circumstances means tested adoption allowances may be paid to the substitute family, for example where a child has significant additional needs, is the younger sibling of an older adopted child going into the same family or if the income of the adopters is very limited.

8.1.2 Although the Council's performance is already in the top quartile nationally, the OBC aimed to increase the number of adopters recruited and increase the number of ESCC children placed for adoption. THRIVE set targets to increase adopters to 50 in 2014/15 and the Council's three year average time to achieve adoption to be less than the national average.

⁶ Figures exclude THRIVE funding to show the true cost of the service. Net cost would be lower in 2013/14 and 2014/15 if THRIVE funding was included.

8.2 Financial and Activity Performance

8.2.1 The number of adopters recruited has increased throughout THRIVE to a high of 50 in 2014/15, which met the target. The number of ESCC children adopted has also increased during THRIVE, including a growing number of older and more complex children who probably would not have been adopted hitherto.

8.2.2 As adoptions have increased, more adoption allowances have been paid, in the circumstances above, thus increasing the cost. The total costs of allowances are 29% (£217,000) higher in 2014/15 than they were in 2011/12, although this increase is lower than the increase in the number of adoptions (169%). If costs had increased at the same rate as the number of adoptions, the cost of adoption allowances would be significantly higher than they actually are.

8.2.3 The time to adoption has consistently decreased over THRIVE, with the total reduction being 2% - from 548 days over 2008-11 to 536 days over 2011-14. The 2014/15 performance was 92 days quicker than the performance in England as a whole, where the time to adoption was 628 days.

Table 10. Adoption Net Cost and Activity

	2011/12	2012/13	2013/14	2014/15	Impact of Change
Number of adopters recruited	21	39	45	50	Positive
Number of children adopted	16	44	57	43	Positive
Cost of adoption allowances	£0.8m	£0.8m	£0.9m	£1m	Positive

8.3 Conclusion

8.3.1 The number of adopters recruited and the number of children adopted has increased since the THRIVE programme started. This increase will have contributed to the Council avoiding costs of fostering placements and the need to pay £27,000 to 'purchase' adopters from agencies or other authorities.

8.3.2 Although careful matching of children to adopters is paramount, despite the increase in adoptions, there are still a number of available adopters, so there should not be either a sudden drop in adoptions in 2015/16. This, coupled with the post-THRIVE increase in the budget for the adoption teams should help to ensure the increase in performance is sustained in the years to come. It is also possible that 'selling' surplus approved adopters will generate income for the Council.

8.3.3 The increasing cost of adoption allowances is one possible consequence of increasing the number of adoptions. This increase in cost should be offset by a greater decrease in the cost of LAC, therefore the overall impact on the budget should be positive.

9 Cost of Children's Safeguarding System

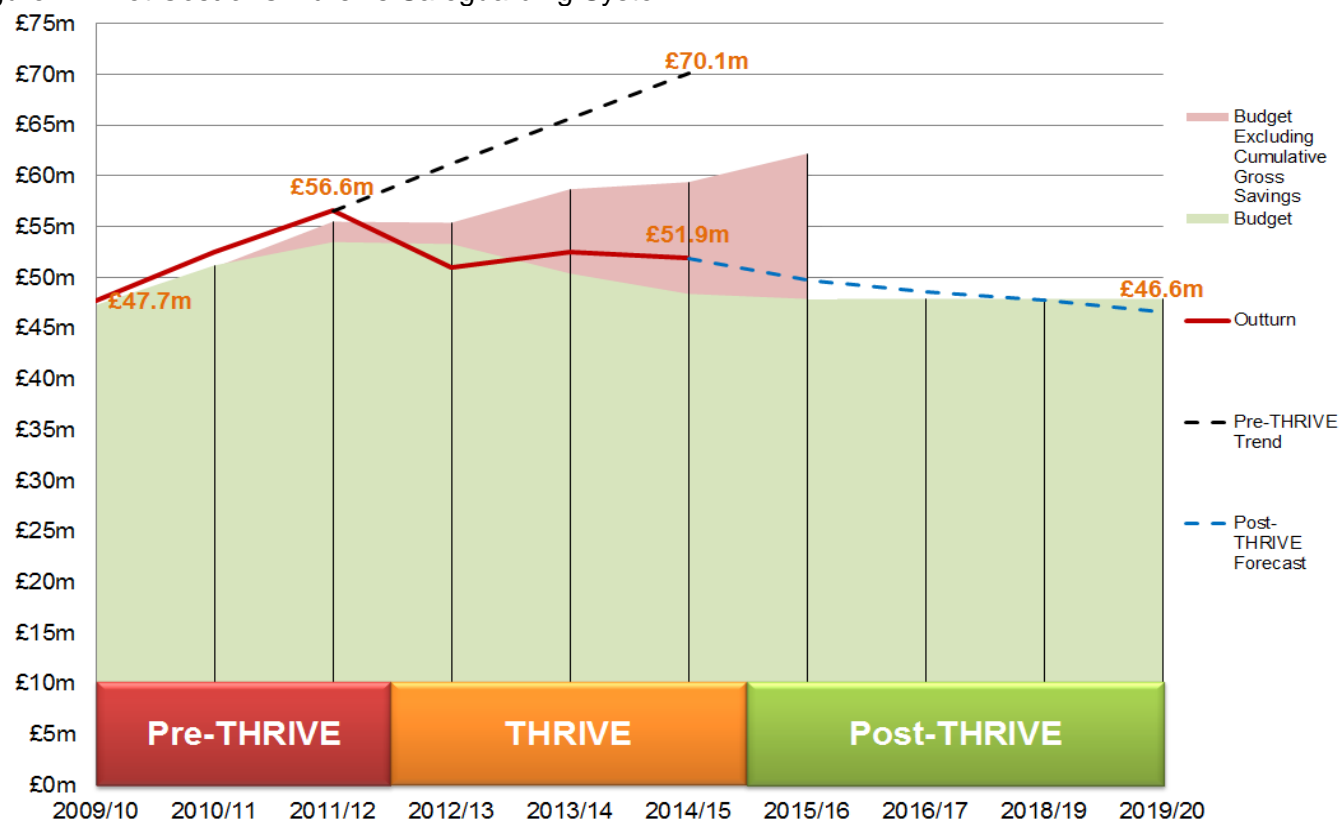
9.1 How much does the Children's Safeguarding System cost?

9.1.1 The cost of the Children's Safeguarding System⁷ has decreased by 8% from £56.6m to £51.9m, a drop of £4.7m between 2011/12 and 2014/15.

⁷ Comprising the 'Children and Families', 'Early Help and Commissioning' and 'Safeguarding' SAP cost centre Groups. Figures exclude THRIVE funding and two items which vary by over £5m between financial years to show the figures on a comparable basis

9.1.2 The forecast increase in demand and associated costs from the OBC of doing nothing has been avoided. If costs had increased at the rate seen from 2009/10 to 2011/12, the Children's Safeguarding System would have cost £70.1m in 2014/15, which is £18.2m greater than it actually cost. The system is forecast to be sustainable within its current budget by 2018/19.

Figure 2. Net Cost of Children's Safeguarding System



9.2 Have forecast cost pressures materialised?

9.2.1 The OBC highlighted Child Protection and LAC as areas where costs had risen significantly between 2008/09 and 2011/12 and included modelling from the Medium Term Financial Plan (MTFP) that projected budget increases of £7.9m would be required by 2014/15.

Table 11. Estimated 2011/12 outturn and forecast budget requirement for 2012/13 to 2014/15

	2011/12	2012/13	2013/14	2014/15	2012/13 to 2014/15
RO and SGOs	£1.392m	£1.560m	£1.765m	£1.970m	£5.295m
Parent and Baby placements	£0.844m	£1.073m	£1.073m	£1.073m	£3.219m
Court Legal Fees	£0.805m	£1.021m	£1.346m	£1.781m	£4.148m
Specialist Assessments	£0.596m	£1.216m	£1.476m	£1.476m	£4.168m
Placements – in house and agency foster care and agency residential	£11.998m	£11.428m	£12.680m	£14.057m	£38.165m
Care leavers	£1.415m	£1.541m	£1.792m	£2.068m	£5.401m
OLA adoption placements	£0.097m	£0.356m	£0.626m	£0.896m	£1.878m
LAC Supervised Contact	£0.983m	£1.426m	£1.826m	£2.226m	£5.478m
FST Section 17	£0.676m	£0.908m	£1.044m	£1.201m	£3.153m
Total	£18.806m	£20.529m	£23.628m	£26.748m	£70.905m

9.2.2 The MTFP projected the cost of these services to be £70.9m across the three years of THRIVE without service transformation. The actual cost was £57.6m - £13.3m lower.

9.2.3 Instead of costs being £7.9m higher in 2014/15 than in 2011/12, costs are only £1.1m higher, with modelling forecasting that the cost of placements for foster care and agency residential will reduce by £2.5m by the end of 2016/17.

Table 12. Net cost 2012/13 to 2014/15⁸

	2012/13	2013/14	2014/15	2012/13 to 2014/15
RO and SGOs	£1.687m	£1.990m	£2.218m	£5.895m
Parent and Baby placements	£0.152m	£0.199m	£0.158m	£0.508m
Court Legal Fees	£0.499m	£0.519m	£0.204m	£1.223m
Specialist Assessments	£0.157m	£0.050m	£0.046m	£0.253m
Placements – in house and agency foster care and agency residential	£12.184m	£12.590m	£13.358m	£38.132m
Care leavers	£1.679m	£1.730m	£1.628m	£5.037m
OLA adoption placements	£0.167m	£0.187m	£0.310m	£0.664m
LAC Supervised Contact	£1.432m	£1.301m	£1.199m	£3.932m
FST Section 17	£0.541m	£0.652m	£0.802m	£1.995m
Total	£18.497m	£19.219m	£19.924m	£57.639m

9.3 Conclusion

9.3.1 The cost of the Children's Safeguarding System has not increased as predicted in the OBC and MTFP, in fact with the changes made through THRIVE the overall cost has decreased since 2011/12.

9.3.2 Within the three years of the programme THRIVE has contributed to avoiding projected cost pressures of £14.6m, compared to total investment of £4.1m in transforming services. While the THRIVE investment ceases at the end of 2014/15, some avoided costs will continue to accumulate, for example, LAC costs will be avoided from the point the child is made subject to an RO or SGO until they reach 18 years.

9.3.3 However, there is a need to ensure the most important THRIVE investments continue, as business as usual where possible, so that improvements are not lost now that the programme has ended. Investment projects put forward business cases to receive funding for 2015/16 as part of the budget setting process. Children's Services Senior Management Team approved eight projects to continue at a total cost of £1.2m. Other improvements made through THRIVE will continue without additional funding, such as changes in practice and culture.

9.3.4 Some of the projects that continue will contribute directly to avoiding more costs, thus helping to keep Children's Services expenditure as sustainable as possible during the challenging years to come.

⁸ Figures exclude THRIVE funding to show the true cost of the service. Net cost would be lower if THRIVE funding was included.