

STIRLING COUNCIL

NOTICE OF MEETING

A **MEETING** of the **AD-HOC SCRUTINY PANEL ON CHILDREN'S SOCIAL WORK SERVICES: COST OF RESIDENTIAL & RESPITE CARE** will be held in **ROOM 7, NEW VIEWFORTH, STIRLING** on **THURSDAY 6 NOVEMBER 2008** at **10.00am**

FIONA MACLEOD
*Head of
Governance*
Clerk to the Council

31 October 2008

A G E N D A

The Council has established an Ad-hoc Scrutiny Panel to investigate aspects of service delivery relating to the cost of residential and respite care for children. Meetings of the Panel are held in public, except at the discretion of the Chair, who may ask the public to leave the meeting under the provisions of Section 50A (4) of the Local Government (Scotland) Act 1973 and specifically during consideration of exempt information as defined in Schedule 7A of the Local Government (Scotland) Act 1973.

1. **NOTE OF MEETING OF THE PANEL HELD ON 27 OCTOBER 2008** (Pages 1 - 8) **AND MATTERS ARISING**
2. **DRAFT REPORT TO COUNCIL – 11 DECEMBER 2008** (to follow) **AND PROPOSED APPENDICES AS UNDERNOTED:**
 - (a) **Update on Workstreams** (Pages 9 - 12)
 - (b) **Forecast of Demand 2009/12** (to follow)
 - (c) **Budget Forecast 2009/12** (to follow)
3. **LOOKED AFTER CHILDREN AND YOUNG PEOPLE CONFERENCE – 28 OCTOBER 2008**
Feedback and discussion of issues relevant to Scrutiny Review

Note: Any Agenda item which has the prefix 'E' is not for publication in terms of the Paragraph indicated of Schedule 7A of the Local Government (Scotland) Act 1973. It is anticipated (although this is not certain) that the meeting will resolve to exclude the press and public during consideration of the item(s) so marked.

(For further information please contact Claire Dunbar 01786 443301)

**THIS REPORT RELATES
TO ITEM 1
ON THE AGENDA**

NOTE OF MEETING OF THE SCRUTINY PANEL ON CHILDREN'S SOCIAL WORK SERVICES: COST OF RESIDENTIAL AND RESPITE CARE held in the BRUCE ROOM, NEW VIEWFORTH, STIRLING on MONDAY 27 OCTOBER 2008 at 10.00 am

Present

Councillor Tony Ffinch (in the Chair)
Councillor Ian Brown
Councillor Graham Lambie

In Attendance

Michael Boyle, Service Manager (Finance) Corporate Services
Bill Eadie, Head of Social Work, Children's Services
Fiona Forster, Quality and Performance Adviser, Chief Executive's Office
Mary McNicol, Service Manager (Planning & Performance), Children's Services
Lesley Sheasby, Service Advisor (Business Improvement), Corporate Services
Willie Watson, Head of Resources, Corporate Services
Claire Dunbar, Committee Officer, Corporate Services (Clerk)

RC64 NOTE OF MEETING OF THE PANEL HELD ON 22 SEPTEMBER 2008 AND MATTERS ARISING

The note of meeting of the Scrutiny Panel held on 22 September 2008 was submitted for approval.

Decision

The Panel approved the note of meeting of 22 September 2008 as a correct record of the proceedings.

There were no matters arising.

RC65 WORKSTREAMS

(a) Update from Project Team

A report had been submitted which provided an update on the various workstreams.

It was noted that the new ERAG procedures were now available on the Council's intranet site, the Source. These procedures would continue to be developed as work with KPMG progressed. A staff workshop was being held on 31 October 2008 to look at all of the various processes in detail.

It was further noted that in relation to Recommendation 5 (ERAG decision making procedures to include fully costed care packages), the Service had advised that it did not have the capacity to pull together the necessary information as it would involve a lengthy manual process. It was also felt that the exercise would have no impact on the ERAG budget.

The SWIFT system used by Community Care did not have the facility to record full costs.

Decision

The Panel noted progress on the workstreams and in particular the Service's proposal not to continue with Recommendation 5 (also referred to at RC67 below).

The Council resolved under Section 50A(4) of the Local Government (Scotland) Act 1973 that the public be excluded from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 5 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973.

(b) Forward Planning Workstream

A report submitted by Mary McNicol advised on progress to date in respect of the Forward Planning/Monitoring workstream. The workstream had been allocated to officers in the Children's Services Planning & Performance Team because of prior experience in developing a pupil forecasting model which assisted with school capacity forward planning.

The project brief was as follows:

1. Profile the looked after children (LAC) cohort in residential provision in terms of age, gender etc over 3 years to identify any patterns or similarities of circumstances/issues which had led to external residential placement.
2. Compare data with other councils to inform development of forward planning model.
3. Profile the current LAC cohort in terms of age and gender and provide projection of numbers likely to be placed in external residential provision over the next 5 years on basis of modelling.
4. Select a sample of young people currently in residential childcare and compare their experiences to evaluate the effectiveness of earlier intervention strategies and supports.

The report detailed:

- Data Sources
- Methodology

- Review of literature by the Scottish Institute for Residential Child Care
- Analysis of data by
 - Placement type
 - Gender split (Education and Care Placements)
 - Residential School placements for children with Additional Support Needs/Emotional Behavioural Difficulties
 - External placements and total LAC population
- Other Analyses
 - relationships between the age of 1st contact, age of first legal order and date when first referred to MARG
 - Chronologies of children and young people with placements funded through MARG in 2007/08

The Team concluded that robust and reliable data did not exist to support the development of a forecasting model for external childcare or educational placements.

On the basis of the analyses which had been undertaken, the Planning & Performance Team did not feel at this time that it was possible to develop a forward planning model similar to the forecasting model which supported school capacity forward planning.

A few tentative conclusions had been reached in relation to those most likely to be placed in residential schools and/or external specialist care placements and these were outlined.

In terms of the numbers likely to be placed in external residential provision over the next 5 years, all the team could add was that if the overall population continued to increase, the number of looked after children was also likely to increase. Within that group of looked after children, there may be some who would require to be placed externally for education and/or care if their needs could not be met in their local community.

In discussing the report the following points were made:-

- Members appreciated the level of detail provided and recognised that it was very difficult to accurately predict demand. However, a broad brush prediction of demand would need to be provided at an early date for the three years from 2009/12 to allow the Council to set its budget. This would recognise that events would occur which could impact on the prediction, either positively or negatively, by specifying the assumptions that underpin the forecast based on the model developed in conjunction with KPMG (detailed further in section (c) below).
- An exercise would be conducted on the outcomes of care placements for individual children as part of the Commissioning and Contracting workstream. This would be linked to the workshop to be held in January 2009 on Corporate Parenting.
- The Commissioning and Contracting workstream would place children in categories based on their level of need. Where possible, children should be placed in those facilities that would provide the best outcomes for them.

- It was noted that both Newburn House, Arnprior and the Positive Changes initiative were being evaluated as to their likely impact and that the evaluations would hopefully be made available by the end of the year. Members of the Panel agreed that the Council and its Community Planning partners should begin to look at the budgets for ERAG and preventative measures such as Positive Changes in a more holistic fashion.
- There had already been some learning from the analyses. For example, the Service was currently looking at triggers for early intervention, particularly involving children being taken into care at a very young age.

Decision

The Panel:

1. Noted the work that had been undertaken on the Forward Planning/Monitoring workstream;
2. Agreed that a “broad brush” prediction of need for 2009/12 would be required at an early date (ideally in advance of the next scheduled Panel meeting to input to their December report to Council) and to allow the Council to set its budget, recognising that events would occur which could impact on the prediction, either positively or negatively (this is discussed further under RS65(c) below), and
3. Noted the on-going work on care outcomes.

The remainder of the meeting was open to the public

(c) KPMG Input into Work on Forward Planning

Predictive Model

Following on from the work undertaken by the Service Planning and Performance Team, KPMG had assisted the Service with trying to develop models of forecasting level of demand. The model, thus far, was considering a range of options for bed usage based on a 12 month rolling programme of bed usage by individual unit/provider.

The financial reports would detail the range of possible out-turns based on a minimum/maximum likely spend. For example: at the half-year point the service would generally know its actual usage of bed nights and how much it had spent. It could therefore forecast, based on that usage, what it would spend at the end of the year. This option assumed no movement in placement which was unrealistic because of a constant turnover. Other forecasting options which could be included were:-

- Taking the current spend and projecting forward then, on a rolling monthly basis, looking at the average number of bed nights in the preceding 12 months and adding this to the current spend projection, assuming that we would use the same average as the preceding 12 months for the remainder of the financial year.
- To compare the usage for the same six-month calendar period and add this average to the actual spend at forecast. The six-month average would be different from the 12-month average.

The model thus far did not take account the upward trend over the past year in the number of bed nights used, the impact of population increase over time or the significant increase in referrals from the Children's Panel.

These matters would be explored further with KPMG as the model developed.

Further to the decision taken by Members under paragraph RC65(b) above, the Service was asked if it was now in a position to provide a broad forecast of demand for 2009/12 (within a range and showing upper and lower levels) which would take account of, and provide a commentary on, known factors which could impact on the forecast, either negatively or positively. It was agreed that the Service would work on this with KPMG with a view to a forecast being submitted to the next meeting of the Panel on 6 November 2008, for inclusion in the report to Council.

Decision

It was agreed that the Service would submit to the Panel at its meeting on 6 November 2008, a broad forecast of demand for 2009/12 (with several scenarios showing upper and lower levels) which would take account of, and provide a commentary on, the assumptions that had been applied in its construction so far that may impact on the forecast, and which would be reviewed at appropriate frequency alongside budget planning.

Information Management

KPMG had explored the potential for SWIFT to develop a range of management information which would assist the Service. In the longer term case histories and trends may inform practice, particularly around issues of placement breakdowns which could lead to the use of expensive external resources. It may also assist with looking at strategies to provide intensive support at an earlier stage, which may have a longer-term significant effect.

Decision

To note the progress to date.

Budget Monitoring

KPMG had reviewed the system for budget monitoring and was satisfied that the way that information was recorded was much more effective than it had been. The Service had a more accurate record of its actual spend and, linked back to the forecasting model, should be able to give a more accurate picture of the range of outcomes on spending on a year to year basis.

Decision

To note the progress to date (discussions on budget monitoring continued at RC66 below).

Commissioning and Contracting

Discussions on procurement were at an early stage. The model being developed would include:-

- Identifying the different levels of care required by young people and categorising them in a way that would inform the kind of services we would want to provide either in-house or externally.
- Analysing the trends in order to try and predict what was required by way of care placements.
- Developing a commissioning strategy focussed on the trends in placement types which would allow the service to gauge/predict the number and types of placement.
- Putting a range of model contracts in place, which would allow the service to be on the forward foot when dealing with providers, rather than signing off the contracts provided by agencies. It was noted that this would be preceded by a period of market testing.

Decision

It was noted that the procurement model would not be in place in time for the Council meeting, but an outline framework would be provided.

RC66 UPDATE ON CHILDREN'S EXTERNAL CARE BUDGET

A report submitted by Michael Boyle provided an update on the Children's Services 'ERAG' budget as well as the fostering and residential care budgets, based on an analysis of current year performance for the period ending 15 October 2008. It also outlined the work being done in conjunction with KPMG to develop a forecasting model for Children's residential care expenditure.

The key issues regarding revenue budget performance were:

External Resource Allocation Group

For the 2007/08 financial year this budget had been overspent by £1.9m. As part of its 2008/09 budget the Council had increased the ERAG budget by £800,000. The Service was currently projecting an overspend of £453,315 on this budget. This had increased from September 2008 due to one young person having to be moved from a Crisis care placement to a placement in a secure unit. The projection also took account of a planned move of a young person from a residential school into a community based placement from December 2008.

Forecasting model

As discussed above, work was ongoing with KPMG to improve the forecasting of unknown demand for places. Although such a model could never provide a 100% guarantee that the year end actual outturn would equal the forecast, it was an improvement on the current limited projection. The current projection of the year end outturn using this model was for an overspend of £750,000 (worst case scenario). This would be reported through the Council's decision making processes during the next cycle of meetings.

With reference to the decision taken by the Panel under RC65(c) above (Predictive Model), it was proposed that the Service should bring back to the next meeting of the Panel on 6 November 2008 a report outlining:

- a potential draft ERAG budget for 2009/12 based on the prediction of need.
- an estimate of the budget for internal fostering for 2009/12.
- An estimate of the budget for Brucefield and Glasgow Road for 2009/12, taking into account the implications of the European Working Time Directive and the introduction (when approved and renovated) of 2 additional beds at Brucefield.

It was agreed that this information would be required for the report to Council on 11 December 2008.

It was noted that the Care Commission had not yet formally approved the registration of the 2 additional beds at Brucefield. The Service would bring them on-stream at the earliest possible date, however it was recognised that this was now unlikely to happen before the end of the financial year.

Decision

The Panel:

1. agreed that the Service would bring back to the next meeting of the Panel on 6 November 2008 a report outlining:
 - a potential draft ERAG budget for 2009/12 based on the prediction of need.
 - an estimate of the budget for internal fostering for 2009/12.
 - an estimate of the budget for Brucefield and Glasgow Road for 2009/12, taking into account the implications of the European Working Time Directive and the introduction (when approved and renovated) of 2 additional beds at Brucefield;

2. noted that the overspend on the external residential care budget (ERAG) for 2008/09 had increased to £453,315. The budget for internal foster carer and the residential units remained under pressure;
3. noted that using the forecasting model, the projected overspend would be £750,000 (worst case scenario), and
4. noted that the budget for the residential children's home remained under pressure with a projected £100,000 overspend. The fostering and adoption budget was currently projected as being within budget.

RC67 REPORT TO COUNCIL – DECEMBER 2008

It was agreed that in addition to the information outlined under RC65 and RC66 above, the report to Council on 11 December 2008 would include an update on the PID document noting where key areas of the workstreams had been completed and providing further detail on those areas that were still outstanding.

It was noted that as part of this exercise, Bill Eadie, Lesley Sheasby and Fiona Forster would be meeting shortly to update the PID to include the additional steps required as a result of the KPMG work, appropriate timescales for completion of those elements and how they would be monitored.

It was also agreed that the once the further information requested was provided and reviewed by Panel (including reviewing action proposed in relation to Recommendation 5), its report to Council in December would recommend that the Scrutiny exercise was now complete and that ongoing completion and management of the remainder of items on the workstreams specified in the PID would reside within the Children's Services' management arrangements. It would be further recommended that the monitoring of the forecasts, budget and the residual elements of the workstreams should be remitted to the Service, Delivery & Performance Committee.

Decision

Agreed.

The Chair declared the meeting closed at 11.25 am.



Date: 30 October 2008

**THIS REPORT RELATES
TO ITEM 2 (a)
ON THE AGENDA**

UPDATE ON PROJECT WORKSTREAMS:

1– Information Management (Recommendations 1 – 5)

Work completed to date:

- The existing practices for recording ERAG placement changes in SWIFT have been reviewed and a new procedure implemented.
- The MARG procedures and processes have been reviewed through workshops. Revisions have been made and the new procedures have been posted on the Source.
- An all staff meeting has been held to advise staff of the updated procedures.
- MARG name has been changed to ERAG to more clearly reflect the role of the group.
- Agreement had been reached with NHS Forth Valley on the process of joint funding for relevant cases and representation on ERAG when appropriate.
- Workplan has been updated to include a decision point on whether to use SWIFT for financial management, billing and payments once an evaluation has been completed.

Work outstanding:

- Reviewing whether SWIFT can be used for the financial management, billing and payment of ERAG placements. This work cannot commence until V23 of the SWIFT system has been implemented. The earliest date when work could commence is April 2009.
- The workplan also includes a review of the new ERAG procedures later this year and the implementation of any further changes as required. This will not commence until the revised procedures have been given time to bed in.
- Recommendation 5 required ERAG decisions to include full cost consideration of resources. Given that the ERAG budget, the in-house provision budgets and the Fostering budgets are now being monitored as part of the Scrutiny Review and the other smaller budgets are not overspent. These budgets under review reflect the majority of the costs of residential care, therefore can agreement be reached that this recommendation has been completed?

This workstream is 49% complete.

Estimated end date for completion of this workstream is September 2009.



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2 – Forward Planning and Monitoring (Recommendations 7 – 9)

Work completed to date:

- Multi-agency resource planning is continuing to be developed through the Community Resources Group.
- Contacted other Councils to determine if there was a best practice model for forward planning but found no other Council had a model that was being used.
- Exercise undertaken to review trends over the past 10 years for 130 cases to determine if a forecasting model could be produced similar to that used for pupil forecasting for school capacity planning. A report was completed with the conclusion that it was not possible to develop a similar forecasting model for external childcare or educational placement.
- Worked with KPMG to develop a forecasting model based on the number of bed nights used over a 14 month period.
- Completed an initial forecasting model for 3 budget areas (ERAG, in-house provision, fostering) for the next 3 years. Scenario planning included in the model (See supplementary paper to follow)

Work Outstanding

- Continue to refine and improve the forecasting model.
- Set up a workshop around "These are our Bairns" to determine an agreed set of outcomes for Looked After Children
- Define who is responsible for the outcomes, implement and monitor.

This workstream is 87% complete.

Estimated end date for completion of this workstream is September 2009. However, will be subject to continuous review.

3 – Budget (Recommendation 10)

Work completed to date:

- Improved the method of collating the expenditure information in relation to ERAG.
- Developed improved method of presenting the ERAG budget information.
- Developed projected costs for ERAG, in-house provision and the fostering budgets.
- Developed initial forecasting/budget model in collaboration with KPMG for the next 3 years. (See supplementary paper to follow).

Work outstanding:

- Consider whether to adopt SWIFT for the financial management of the ERAG budget.

This workstream is 88% complete.

Estimated end date for completion of this workstream is September 2009. However, will be subject to continuous review.



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4– Procurement (Recommendation 12)

Work completed to date:

- Current contractual arrangements have been reviewed
- Contacted other Authorities to obtain copies of their contracts/commissioning strategies.
- New facility opened in Arnprior and agreement reached for an independent evaluation by Scottish Institute of Residential Child Care.
- Contracts Manager appointed and has started.
- KPMG assisting with developing contract model/commissioning strategy

Work outstanding:

- Complete development of commissioning strategy
- Develop contract model, market test and implement
- Review the impact of the new contracts and include impact within forecasting/budget models

This workstream is 65% complete.

Estimated end date for the completion of this workstream is December 2009.

5 – Internal Provision (Recommendations 13 – 14)

Work completed to date

- Reviewed the process for recruiting foster carers
- Reviewed the internal provision of comparative authorities
- Approached Falkirk and Clackmannanshire Councils to identify if they would be willing to jointly fund new internal provision, however both declined.
- Reviewed the provision at Brucefield and applied to Care Commission to increase to a 5-bedded unit.
- Agreement reached that there is currently no requirement for a business case for internal provision.

Work outstanding:

- Still waiting for Care Commission registration for Brucefield as a 5-bedded unit.
- Awaiting evaluation of the Positive Changes team due December 2008.
- Review the need for internal provision as part of the commissioning strategy.

This workstream is 89% complete.

Estimated end date for the completion of this workstream is March 2009.

Recommendation 6 complete - (adopting formal project management and governance procedures)
Recommendations 15 to 18 complete - (developing action plan, reporting on action plan and overseeing implementation).

Status Report to:

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