

WILTSHIRE COUNCIL

CHILDREN'S SERVICES SELECT COMMITTEE 28 JANUARY 2010

PLACEMENT BUDGETS – BENCHMARKING OF EXPENDITURE

Purpose of Report

1. The purpose of the report is to review national benchmarking comparisons for expenditure on placements for Looked After Children.

Background

2. The Committee has previously considered reports on expenditure on placements for Looked After Children. A full report on the commissioning strategy for looked after children will be brought to the Committee in March but in the interim a report giving national benchmarking comparisons on expenditure on placements has been requested.
3. The budget for placements for looked after children has overspent in previous years. In 2009/10 it is projected that the external placement budget will overspend by £0.220 million.

Main Considerations for the Council

4. Appendix 1 to this report demonstrates how expenditure on placements and the pattern of provision in Wiltshire has changed over the period 2002/03 to 2008/09. The final graph also illustrates how the budget has increased over this period.
5. It can be seen that whilst numbers of nights care provided have increased over this period by approximately 24%, expenditure over the same period has increased by 161%. The second graph demonstrates how the pattern of provision has influenced this with the proportion of nights care delivered from in house foster carers declining whilst the proportion delivered in residential care and independent foster care have increased. Unit costs for external provision are significantly higher than for in house foster care provision.
6. Benchmarking comparisons for expenditure on looked after children are available through the CIPFA Looked After Children Benchmarking Club. Wiltshire was a member of this benchmarking club in 2008/09 and so has comparator data with statistical neighbours for the 2007/08 financial year. As patterns of expenditure in Wiltshire have not changed significantly since 2007/08 it is reasonable to assume that the comparisons will still be valid.

7. Appendix 2 to this report highlights key comparisons from the CIPFA Looked After Children benchmarking data 2008/09. The report refers to 2007/08 data.
8. Table A on Appendix 2 shows expenditure per head of population on Children's Services in Wiltshire and for Wiltshire's statistical neighbours. Whilst expenditure overall for Wiltshire is slightly lower than for statistical neighbours, expenditure on Looked After Children is significantly higher and expenditure on Family Support services significantly lower. The analysis below the table demonstrates that in 2007/08 Wiltshire spent £1.8 million on Family Support Services, if Wiltshire had spent at the same level as other similar authorities it would have been spending £4.2 million, a difference of £2.4 million. Similarly if Wiltshire spent at the same levels as similar authorities on looked after children then it would have spent £2.6 million less in that year.
9. Table B highlights the reasons for Wiltshire's high expenditure on looked after children. The indicator PAF B8 measures the average weekly cost of services to looked after children. The figure for Wiltshire in 2007/08 was £1,052 compared with an average for counties in England of £884 per week. The table shows that when unit costs for each type of provision are compared Wiltshire does not differ significantly from other authorities, hence placements are being procured at similar rates. Where Wiltshire does differ from other Counties, however, is in the proportion of placements in external residential care. 24% of placements in Wiltshire in 2007/08 were in external residential provision compared with an average of 11% for counties in England. Only 55% of placements were with local authority foster carers compared with an average of 63% for other counties.
10. Wiltshire has had in place a commissioning strategy which has focussed on recruiting additional in house carers and reducing the reliance on external provision. Table C demonstrates that over the same period numbers of looked after children have increased therefore meaning that additional capacity has been taken up by additional numbers of placements, maintaining Wiltshire's reliance on more costly external provision in order to meet demand.

Environmental Impact of the Proposal

11. No impact identified.

Equalities Impact of the Proposal

12. Needs assessments are made when considering any placement.

Risk Assessment

13. Risk assessments are carried out in all placement decisions.
14. The risk associated with managing the placement budget for looked after children is highlighted as a key strategic risk for the Council by the

Corporate Leadership Team. The benchmarking data demonstrates that Wiltshire has high costs associated with looked after children and the key focus of the Commissioning Strategy will need to be an exit plan from high cost placements and an increase in the range of effective, lower cost, in house provision.

Financial Implications

15. The current budget for external placements for looked after children is £9.2 million. The budget is demand led and can therefore be volatile. In 2009/10 the placement budget is projected to overspend by £0.220 million, this compares with an overspend of £1.3 million in 2008/09.
16. Within this projected spend placements for very vulnerable young people are being managed. Specific pressures that have impacted on expenditure in 2009/10 include:
 - the impact of the Baby P case which has increased the numbers of referrals;
 - An increase in the number of very vulnerable young people being accommodated in secure accommodation with weekly costs in excess of £4,000 in each case
 - An increase in the number of Unaccompanied Asylum Seeking Children (UASCs), especially those aged over 16. A lack of in house provision has led to placements being made with independent foster carers, the cost of these placements exceeds the funding that can be reclaimed from the Home Office by up to £131 per person per night. It is currently estimated that the cost of placements for those UASCs for whom we cannot claim the full cost will be approximately £0.200 million.
 - A legal dispute with another local authority over the high costs of a specific placement made for a young person
17. This report outlines comparator data on the cost of looked after children in Wiltshire and similar authorities. Whilst there are no direct financial implications arising from this particular report it is clear that the data will inform the development of the commissioning strategy highlighting that there is scope for achieving savings through offering increased range of placement choice. Resources freed up from high cost placements could be invested in family support services in order to increase preventative work with families.

Legal Implications

18. No specific legal implications arising from this report

Conclusions

19. Expenditure on looked after children in Wiltshire is high when compared with similar authorities in England. The high cost is driven by the high proportion of placements in external residential provision.

Proposal

20. Members are asked to note the report and the data which will inform the commissioning strategy to be presented at the March meeting.

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Glossary

CIPFA - Chartered Institute of Public Finance and Accountancy
LAC - Looked After Children
UASC - Unaccompanied Asylum Seeking Children

Appendices

Appendix 1 – Graphs comparing LAC Placement Cost and Provision 2002/03 to 2008/09

Appendix 2 – Benchmarking Data

Background Papers

CIPFA Looked After Children Benchmarking Report 2008