

Melanie
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23 November 2011

To: All Members of the Budget Scrutiny 2012/13

Dear Member,

Budget Scrutiny 2012/13 - Monday, 28th November, 2011

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

5. LOOKED AFTER CHILDREN AND LEGAL COSTS MAIN REPORT

To consider the main report of the Budget Scrutiny report on Looked After Children and associated legal costs.

Yours sincerely

Melanie Ponomarenko
Senior Policy Officer

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Haringey Council

Report for:	Overview and Scrutiny	Item Number:	
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Title:	Looked After Children (including the associated legal costs)
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Report Authorised by:	Libby Blake Director for the Children and Young People's Service
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Lead Officer:	Debbie Haith Deputy Director; Children & Families Haringey Children & Young People's Service
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Ward(s) affected: All	Report for Non Key Decisions:
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1. Describe the issue under consideration

- 1.1. Since 2008 CYPS has seen a very substantial increase in the number of children taken into care with an associated rise in legal fees. Scrutiny wishes to ensure that activity in this sensitive area is comparable with the costs and performance of our statistical neighbours and that avenues of reducing costs have been looked at.

2. Background Information

- 2.1. The number of Looked After Children (LAC) is one of the most visible indicators of activity and costs in Children and Families. Numbers of LAC have shown an upward trajectory over the last few years (Table 1) and this has resulted in significant and increasing costs involved in the assessment, placement and meeting the longer term needs of LAC (e.g. adoption, fostering, ceasing to be a LAC).

Table 1 – Numbers of LAC

	Apr 08	Apr 09	Apr 10	Apr 11	Sep 11
Looked After Children (excl. UASC)	381	464	555	597	588
Unaccompanied Minors (UASC)	47	51	41	38	32
Total	428	515	596	635	620

- 2.2. A further significant cost associated with Looked After Children is the associated legal cost as the statutory process of both taking children into care and implementing long term solutions outside of the birth family is a highly regulated, lengthy and costly



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process, which has recently been the subject of Government attention through the Family Justice Review. The recommendations are directed to reducing the cost and length of proceedings whilst improving the experience for children and families. Care proceedings are however an intervention by the state into family life and as such this is a potential breach of Human Rights. The Council therefore has to provide clear evidence that this is both justified and proportionate.

- 2.3. The high numbers of Looked After Children and in particular the rapid increase in numbers during 2008/09/10 which were in part a consequence of refreshed multi agency safeguarding arrangements has brought considerable challenges to the range of services which are needed to support children and young people and those required to progress their care plans. The service continues to work to improve the quality of care planning and placements and has had to redirect resources to meet the heightened levels of demand.
- 2.4. Children's and Young Peoples Services have made considerable progress since the events of November and December 2008. This has been externally validated in the recent judgements given after Ofsted inspection. Systems and processes have been improved through the investment of resources by the Council and, to a more limited extent, from the government. The service has now stabilised to a point where it can move on from fire-fighting and increase the emphasis on value for money and developing a longer term strategic approach to building resilience in its work with children and families so that children can be safely supported to live at home where to do so is in their best interests.
- 2.5. This report will examine the processes which surround Looked After Children (LAC) and how effective they are, the costs that are incurred in meeting the needs of LAC including the various cost drivers that accompany Looked After Children and their other associated costs, such as Legal costs. It will also seek to demonstrate through benchmarking information, how Haringey compares to other similar Local Authorities and explore how far Value for Money (VfM) is being achieved.

3. Value For Money

- 3.1. Value for Money can be described as a combination of Economy, Efficiency and Effectiveness (the 3e's). In simple terms:
 - Effectiveness – To what extent a desired outcome is met, in this case safeguarding children whilst promoting their well being within family life where safe to do so;
 - Economy – achieving the lowest reasonable price for a defined service or outcome; and
 - Efficiency - making the best use of available resources by economy and effectiveness.
- 3.2. In order to measure success against these criteria and to determine to what extent value for money is being achieved in the Looked after Children system, a number of areas have been considered below.

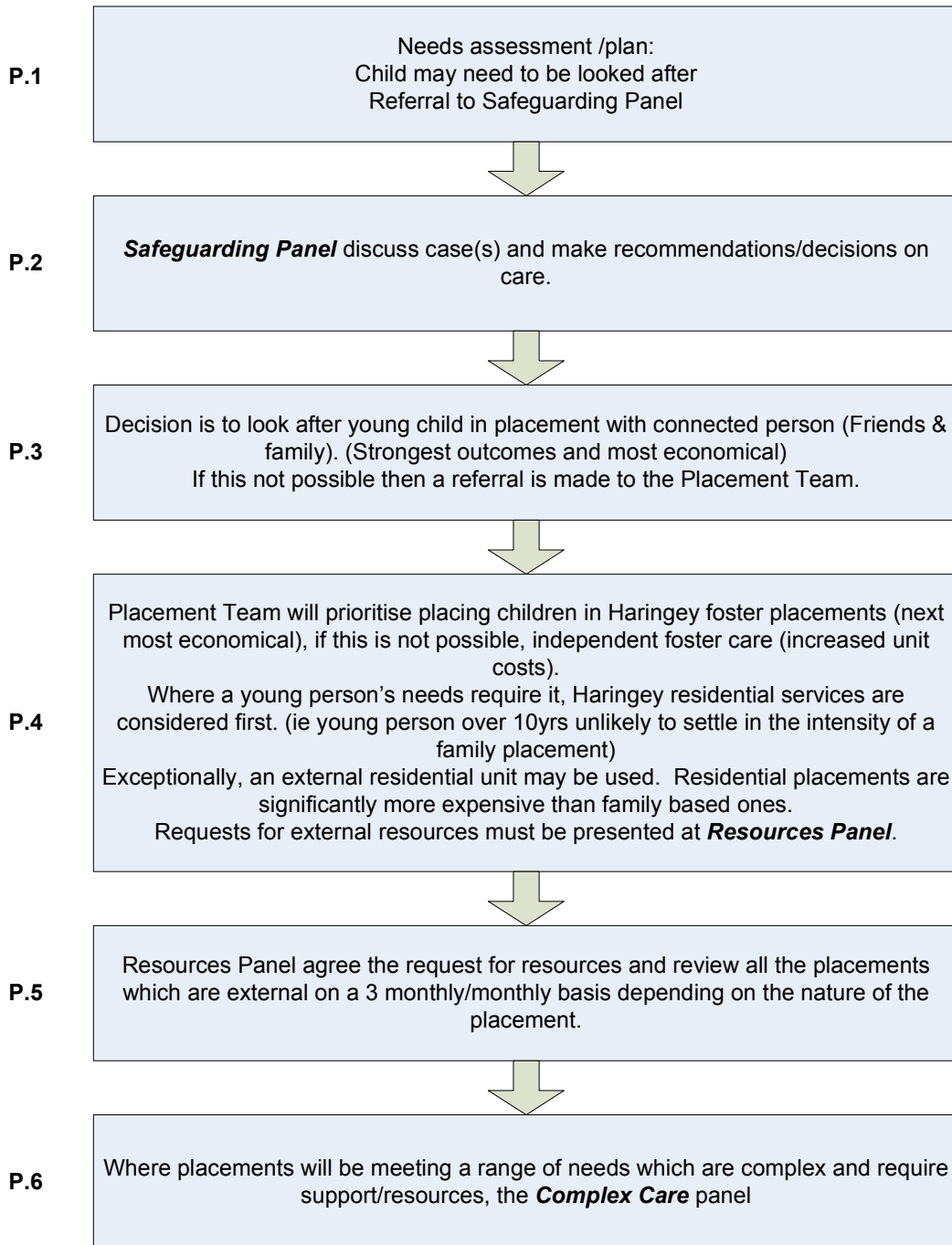
4. Overview of the Looked After Children System



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4.1. An overview of the key steps involved in assessing children and taking them into the care system is set out below. In addition there are arrangements for placing children outside the panel process for emergency situations. The expectation is that such circumstances are limited.

Figure 1 - Process for agreeing and developing placements for Looked after Children



4.2. In the flowchart above a number of panel meetings are identified; the purpose, composition and frequency of these panels are further highlighted below. All panels



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are chaired by a senior manager and are designed to impact through tighter management of demand whilst identifying trends, gaps and issues to inform commissioning plans.

➤ **Safeguarding Panel (meets every 2 weeks)**

The role of this panel is to provide multi-agency input and advise on care pathways. The panel is chaired by the Assistant Director for Safeguarding with representatives from Health, Legal Services, Social Work Teams etc;

➤ **Resources Panel (meets weekly)**

The role of this panel is to agree resources for looked after children's placements. This panel has a crucial role in managing the use of external resources and reviewing high costs and placements to ensure outcomes are being reviewed.

➤ **Complex Care Panel (meets every 4 weeks)**

This is a panel of Health, Social Care and SEN managers and commissioners. The role of the panel is to consider cases where children have complex needs and to negotiate funding from more than one agency.

- 4.3. A child becomes a looked after child if they are in voluntary care – (accommodated), they are remanded to the care of the local authority or they are subject of a court order under care proceedings in the Family Courts .
- 4.4. In most instances local authorities apply to the court for care, or exceptionally supervision orders, there are emergency orders and specific orders which are used in certain circumstances such as an Emergency Protection Order.
- 4.5. A care order gives the local authority lead parental responsibility, whilst parents do not lose their parental responsibility rights. The emphasis should be that the local authority works in partnership with the parents in the interests of the child. A care order lasts until the child reaches 18 unless an application to discharge it earlier is made.
- 4.6. A supervision order gives the social worker an advisory role to assist and befriend the child and their parents. The local authority does not acquire parental responsibility which remains solely with the parent and the child is not looked after. The order lasts up to 12 months.
- 4.7. Child care cases are managed through the courts under a protocol for case management know as the Public Law Outline (PLO). The aim is to manage the case well and avoid delay. The PLO is not considered to be currently working effectively hence the Government commissioned the Family Justice Review.

Thresholds for applications for care and supervision orders

- 4.8. When applying for a care order the local authority must evidence that the threshold for care has been met and that at a second stage the welfare of the child demands



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their removal from the care of their parents. The court may not make an order unless satisfied that the threshold conditions are met and that it is better for the child to make an order. The social worker needs to gather and produce evidence to this effect and also propose how the Council intends to take on the role of parent for the child and what their longer term plan will be. The court often requires additional expert evidence at cost to the Local Authority to validate the proposed care plan and evidence.

Evaluation of Performance

4.9. The full announced Ofsted inspection which took place in January 2011 stated that capacity for improvement was Grade 2 (good) and also made the following comment on the performance of Looked After Children's services:

“ The council and its partners have good capacity to improve services for looked after children, young people and care leavers. Performance indicators, especially those for educational attainment and qualifications are better than in similar areas and the national picture. Nine of the 11 national indicators for looked after children services show improvement over the past year. Outcomes for the majority of looked after children and young people are good and a platform for further improvement has been established to ensure improvements are sustained. The confidence that care leavers have about their own lives and their support is reflected in the mature and well balanced arguments they put to inspectors about their experiences. There is an appropriate emphasis on nurturing children's talents, within and beyond the school day, particularly through sport.”

4.10. This comment relates to the effectiveness of the service rather than its economy. However generally children's placements break down less often where their care is judged good or outstanding. Children who move frequently between placements will usually incur additional costs as they become more challenging to look after with each successive experienced rejection

4.11. A further element to ensuring the quality and effectiveness of practice and good outcomes for children and young people who are looked after is a stable well supported work force. In October 2010 the staffing establishment for the Looked After Children's Service was reviewed and increased so that there is sufficient experienced staff to ensure that children's case work services could accommodate the increased numbers of looked after children. In the last twelve months the service has reduced its dependency on temporary staffing from 50% to a situation where all front line vacancies will be filled by permanent staff by January 2012. This increase in staff permanency has contributed to the positive assessments and also the cost effectiveness of the service going forward as the cost of 'agency premium' reduces. As the continuity of the work continues to improve we can confidently expect that children's care will be managed more tightly and effectively without the delays caused by handovers between workers.

4.12. Decision-making at the front-end of the statutory social care system in Haringey is now externally judged as safe with appropriate assessment of risk. This has been



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demonstrated not only through OFSTED inspection but also through a range of independent audits conducted on behalf of the Council. In terms of meeting the value for money criteria therefore, there is some significant external evidence that systems and processes have become more effective and members can have confidence that the service is now well positioned to challenge itself further on its effectiveness, economy and efficiency as it continues to safeguard the right children and to support as many children in their families as is safe to do so.

5. Budgets, Costs and Performance Management

- 5.1. In order to form a judgement about the **economy** of the service it is necessary to explore how much the service costs and in particular what is being done to control and reduce costs in absolute (as opposed to relative) terms. As the improvements in processes within the Looked After Children service were taking place they were accompanied, not only in Haringey but across the country, by an increase in the number of contacts, referrals, assessments, children with child protection plans and looked-after children. The pressure on the system at the time led to shortages and delays across the process (as has particularly been seen in the courts) with resultant increasing costs.
- 5.2. Children and Young People's Services, supported by the Chief Executive, have recently brought a new focus to the cost pressures experienced in the service through setting up a "Transformation Board". The work of the Board is being facilitated by external independent consultants and a Strategic Improvement Plan is under development to address the on-going challenges of obtaining the right balance between early help for families and more complex and costly interventions which include looking after children. Currently the major strands identified for the Board to review progress against cost control and reduction measures are:
- Intervening earlier and preventing poor outcomes and rising costs
 - Ensuring that families can move efficiently between the early help and social care services if their needs change
 - Challenging the length of time some children are looked after and moving children to permanent solutions more speedily
 - Reviewing procurement of a range of key services to ensure they are achieved as economically and effectively as possible.
 - Minimising the use of residential care by ensuring that there is a sufficient supply of high quality foster care available with appropriate support to care for challenging young people.
 - Only spend 'high' on high value high impact services.
 - Reviewing care plans to see whether some children could now safely return home or to extended family members.
 - Work with the fostering and adoption services to improve the speed of their processes to deliver stronger value for money
 - Develop a commissioning strategy.
 - Improve performance reporting arrangements to ensure that we understand the strengths and areas for improvement in our service..



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Our expectation is that as a result of this work we should see the rate of looking after children in Haringey begin to reduce and become closer to our comparator neighbours.

5.3. The current (2011-12) budget provision for the main LAC areas is set out below in Table 2.

Table 2 – LAC 2011-12 main Budget Areas

	2011-12 Budget	2011-12 Budget
Staffing Costs – First Response	2,516,000	
Staffing Costs – Safeguarding and Support	2,416,900	
Staffing Costs – Fostering and Adoption	1,871,070	
Staffing Costs – Children-in-Care	3,172,500	
Staffing Costs – Contact Service	659,100	
Staffing Costs – Leaving Care	1,035,900	
Sub-total		11,671,470
Placement Costs – External	17,569,400	
Placement Costs – Internal inc. Homes	4,823,600	
Sub-total		22,393,000
Client Costs (Adoption, SGO etc.)		4,049,500
Total		38,113,970

5.4. Over the period 2009-10 to 2011-12 additional base budget provision as set out below has been added to Children's Services LAC staffing and placement budgets. Approximately £7.8m of this is in respect of increased placement budgets with the balance attributable to increases in staffing budgets and other payments and allowances:

2009-10	£ 1,320,000
2010-11	£ 3,294,000
2011-12	£ 6,862,000
Total	£11,476,000

5.5. In addition a total of £1.3m (£0.8m in 2010-11 and £0.5m in 2011-12) was added to the Legal Budget.

5.6. The Council's Medium Term Financial Plan (MTFP) provides for reductions in the service placement budget of £1.983m (2012-13) and a further £0.741m (2013-14) together with associated reductions in the Children and Families staffing budgets (£0.250m in 2013-14 and a further £0.750m in 2014-15) and it is in this context particularly that, in part, the work of the Transformation Board should be seen as a mechanism for reviewing, challenging and achieving the required cost reductions and improving the **economy** of the service.

5.7. The budget for 2011-12 was set at a point when the number of children had stabilised at around 600 for a number of months. In March, April and May, the numbers of Looked After Children again increased. The data in Table 8 shows this most clearly. The increase has resulted in a budget pressure in year of over £1m



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(Table 3). The same table also shows that there is a currently a marginal downward turn on numbers.

5.8. Whilst the above data illustrates that, in response to increasing numbers of Looked After Children (from 428 to 620 [44% increase] (Table 1)) there has been a significant increase in base resources (net c£10m) it is difficult to draw conclusions about the **relative** benefits seen. Benchmarking information, which is considered further below, assists in relative comparisons between authorities however, in addition, the service also produces and reviews a number of relevant key performance indicators which give information about the absolute performance of the service against both nationally and locally determined targets. In this respect it has not been possible to answer the question of whether outstanding ratings would cost more to deliver than our current investment; but a continued focus on performance relative to others and against the inspection benchmarks may well not cost more but should continue to drive the service forward successfully,

Placement Costs

5.9. Current spend is on a range of provision, accommodation and support packages which include the following:

- Foster care
- Children with complex needs
- Residential Care
- Semi supported accommodation
- Independent accommodation
- Residential Family Assessments
- Adoption (with allowances for hard to place children)

Table 3 Projected placement costs

Summary of LAC placements projected costs 2011-12 - as at September 2011
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Type of Placement	Number of Clients	Cost £
Foster Care (in house)	197	3,567,781
Foster Care (private and voluntary)	263	10,720,430
Placed for Adoption	13	0
in-house directly managed	10	1,769,545
Independent sector residential	37	5,044,941
Hostels and other supportive placements (Mainly semi-independent)	39	1,214,861
Residential Schools	4	568,684
Secure Accommodation	2	432,304
Placed at Home	10	
Other	13	360,000
Total	588	23,678,546
Budget 2011-12		22,393,000
Projected overspend		1,285,546

Fostering and Adoption Services.

- 5.10. Central to meeting the needs of Looked After Children as economically as possible is having sufficient foster placements and being able to place children with suitable adoptive parents since these often provide the lowest cost placements commensurate with successful outcomes for the children and, in the case of adoptions, reduce the overall number of children in care.
- 5.11. The total number of households approved for Fostering between 1/4/10 and 31/3/11 was 32, this includes a significant number of 'family and friends' carers. Following the recent fostering campaign, which has been nationally recognised, there has been a 40% increase in the number of households attending fostering preparation groups compared to last year and there are currently 21 households in assessment.
- 5.12. Adoption is one part of what could be described as legal permanency which also includes Special Guardianship. Both result in a child or young person no longer being looked after and having a social worker. Special guardianship was introduced as a means to provide a permanent solution for older children for whom adoption may not be appropriate. Unlike adoption it only lasts until a young person is 18. Special Guardianships are also often used when a child is placed with friends and family members.

Joint procurement and the North London Strategic Alliance (NLSA)

- 5.13. Six boroughs form the North London Strategic Alliance (Barnet, Camden, Enfield, Hackney, Haringey & Islington) and their brief is to work with the market to develop capacity to meet the emerging and changing needs of the member boroughs and sub-regional quality monitoring processes in partnership with borough officers. A category manager has been appointed and will take up post early next year. This post will be hosted by Haringey.



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- 5.14. This is an important development which will provide both a benchmarking family in North London where data can be verified with confidence and the true costs of placements both internal and those externally procured will be established, together with increased market presence and therefore purchasing power.
- 5.15. This arrangement will also take further the issues of quality and value. Clearly it is important to establish base costs and variable costs but crucially a performance framework will be established which will enable the partnership to maintain high quality and share contract and performance management of suppliers across the partnership.
- 5.16. Taking all of these strands together – the work of the Transformation Board, the development of cost effective placements, a continued focus on Key Performance Indicators and the development of joint procurement and commissioning strategies, Members can draw confidence that strategies and activities are in place to reduce the overall costs of the service in line with the Council's Medium Term Financial Plan and improve the **economy** of the service.

6. Benchmarking Comparisons and Efficiencies

- 6.1. One way of measuring the **efficiency** of the service being provided is to carry out relative comparisons through benchmarking between similar organisations providing similar services. However the process of benchmarking and interpreting the results is not always an easy process.
- 6.2. The process of benchmarking merely provides information by which to question relative performance – it does not provide answers to questions such as who is the most efficient; this is because even similar organisations undertake processes in different ways, face different challenges and can even classify costs differently. However, benchmarking does provide a useful starting point to examine the relative efficiency of organisations.
- 6.3. There are two main types of benchmarking in addition to benchmarking performance:
- Process benchmarking – where processes and activities are mapped and compared to assist in the determination of the most efficient process; and
 - Financial benchmarking – where costs of activities are compared on a rational unit cost basis so that differences in the size of activity can be reflected. For example the average cost of a LAC placement.
- 6.4. Most of the data which follows and has been analysed is 'financial' benchmarking and has been compiled against Haringey's statistical neighbours. These authorities have been selected as our statistical neighbours because, against a range of demographic indicators, they are considered most similar to us and the challenges we face. Our statistical neighbours are generally accepted as:
- Greenwich;
 - Islington;



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- Lewisham;
- Wandsworth;
- Lambeth;
- Waltham Forest;
- Hackney;
- Southwark;
- Hammersmith and Fulham; and
- Croydon.

6.5. The following information has been drawn from three main sources:

- (i) CIPFA LAC Benchmarking Club 2010;
- (ii) OFSTED data; and
- (iii) Section 251 – 2011-12 budget information.

6.6. There are some weaknesses that also need to be considered when evaluating this benchmarking data:

- (i) The CIPFA Benchmarking Club data is more than a year out of date although this group does more than many others to quality assure data is on a comparable basis;
- (ii) Not all of our statistical neighbours participate in the LAC Benchmarking Club and the comparator group is therefore smaller (6 rather than 10)
- (iii) S251 data is more up to date but is not subject to external validation and so is prone to significant differences in the categorisation of costs;
- (iv) S251 data is either expressed on a per pupil basis (for costs relative to schools) or a per capita (0 – 19 Year olds) basis for all other lines. As a result the LAC relevant lines **do not** express costs on the same basis on which costs are incurred (i.e. the data will be per head of population rather than per Looked After Child)

6.7. However, bearing all of this in mind the following data has been considered in order to form a view about relative **efficiency** of the service.

Profile of Looked After Children

6.8. Table 4 shows the numbers of Looked After Children in Haringey at 31 March 2011 and benchmark data against our Ofsted Statistical Neighbours. One of the key aspects to note is that, even within our comparator group there is wide divergence in the numbers of LAC between the highest (125) and the lowest (40). This variance is likely to have significant effect when considering relative costs because of economies (or diseconomies) of scale.

6.9. The average length of time a child was in care (for those children who ceased care between 01 April 2010 and 31 March 2011) was 1.7 years or 21 months. The average length of time a child was in care (for those children who ceased care between 01 April 2010 and 30 September 2011) was 1.4 years or 17 months. The 2009/10 national figure for average length of time in care was 2.4 years or 29 months.



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6.10. The table at Appendix 1 shows comparative data regarding the ages at which children cease to become looked after, it demonstrates that our performance is in line with statistical neighbours.

Table 4 Haringey Statistical Neighbour Data – Children in Care at March 2011

	Number	Rate*
England	65520	59
Haringey	590	125
Croydon	845	104
Greenwich	590	109
Hackney	265	51
Hammersmith & Fulham	250	79
Islington	325	94
Lambeth	500	92
Lewisham	485	81
Southwark	520	94
Waltham Forest	310	56
Wandsworth	205	40
Average of Statistical Neighbours	430	80

*Rate per 10,000 population of children under 18 years of age.

This data includes number Unaccompanied Asylum Seeking Children(UASC).

6.11. Table 5 and Graph 1 show the numbers of looked after children over time between 2007-2011 and demonstrates clearly that the profile of LAC in Haringey is very different. Prior to 2008 our profile was similar to comparator boroughs but post 2007 we experienced a sharp upward trajectory whilst our neighbours have generally decreased slowly. The national picture is also relatively stable. Table 5 demonstrates that a number of our statistical neighbours have managed a sustained reduction in the rate of their looked after children over the last five years, and each of them will have done so in different ways. Members have expressed interest in how other authorities such as Hackney have managed their change, and in particular their attitude to risk; for Haringey Council to continuously improve in its service to children and families there must be a collective understanding of the risks that are being managed and on-going support for professional staff as they do so.

Table 5 Haringey Statistical Neighbour Rates* of children in care at 31 March 2011

	2007	2008	2009	2010	2011
England	55	54	55	58	59
Haringey	91	88	101	121	125
Croydon	125	132	134	125	104
Greenwich	101	99	101	112	109
Hackney	83	71	67	57	51
Hammersmith & Fulham	121	105	94	82	79

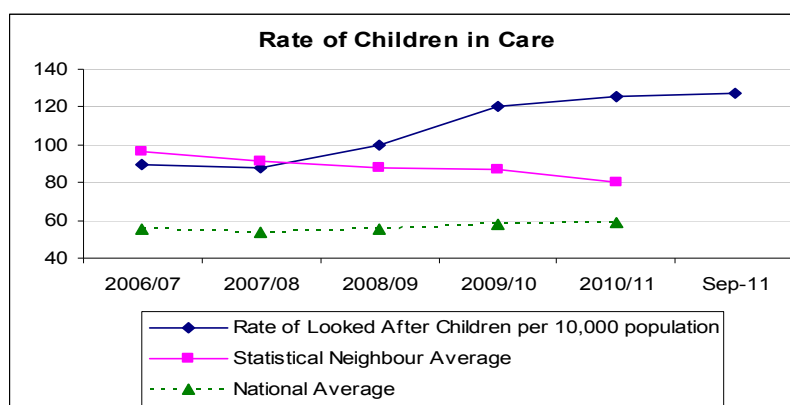


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Islington	109	99	92	94	94
Lambeth	110	106	101	105	92
Lewisham	81	82	81	90	81
Southwark	114	104	97	100	94
Waltham Forest	63	61	63	62	56
Wandsworth	54	50	47	41	40
Average of Statistical Neighbours	96	91	88	87	80

*Rate per 10,000 population of children under 18 years of age

Table 3 Rate of Children in Care in Haringey 06/07 to September 11



6.12. Table 6 shows the proportion of children in care at various ages; this allows comparisons to be made which are not distorted by absolute numbers and suggest that, whilst table 5 identifies higher than average numbers in absolute terms the age profile mix in Haringey is not significantly different to either the London or National position. This is a key indicator for identifying whether there are likely to be any underlying policy issues shaping Children being taken into care and also whether the profile mix could affect relative costs e.g. by higher numbers of LAC in groups which are difficult to place for adoption.

Table 6 Proportions of Children in Care at 31st March by age group

	England 2009/10	London 2009/10	Haringey 2009/10	England 2010/11	Haringey 2010/11	Haringey 30/09/2011
Under 1	6%	5%	5%	6%	4%	5%
1 - 4	17%	14%	17%	18%	19%	18%
5 - 9	17%	14%	15%	18%	19%	21%
10 - 15	39%	38%	35%	37%	36%	35%



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16+	21%	29%	28%	21%	22%	20%
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Overall Expenditure Comparisons

6.13. Using the most up to date information available (S251 2011-12 Budget) we have carried out a comparison against four key areas:

- Line 6.2.1 – Residential Care.
- Line 6.2.2 – Fostering Services.
- Line 6.2.11 – Total Looked After Children.
- Line 6.7.1 – Commissioning and Social Work.

6.14. Table 7 below summarises the position:

S251 Line	Haringey 2011-12	Comparators 2011-12	England 2011-12	Maximum 2011-12	Haringey % above ave
6.2.1	193	122	84	201	59%
6.2.2	311	212	117	311	47%
6.2.11	662	474	262	722	40%
6.7.1	271	227	130	439	20%

Note all figs in £ per capita (0 – 19 YO)

The Maximum column represents the max value in the comparator group

6.15. This demonstrates that, in comparison with our statistical neighbours, budgeted costs remain significantly above average in most cases and, in the case of fostering services are the highest of all comparator authorities.

6.16. Table 8 below shows the profile in Haringey of LAC over the main placement types over time; this is important to form a judgement about the relative numbers of LAC in placements which have different costs. For example in-house foster care is generally accepted to be cheaper than external foster care and it would be important to maintain and increase if possible the proportion of LAC placed in-house to improve financial efficiency. Similarly foster care (both internal and external) is generally accepted to be more cost effective than residential accommodation.

6.17. Over the period covered (Sep 2010 to Sep 2011) the proportion of LAC in internal to external placements has remained constant at 43:57 although there has been an improvement in the balance between fostering and residential placements with the former increasing by 9% and the latter being reduced by nearly 13% - this will have improved the cost effectiveness of the placements budgets in Haringey.

Table 8 Looked After Children by Placement type

Type of placement	No at 30 Sep 10	No at 31 Dec 10	No at 31 Mar 11	No at 30 Jun 11	No at 30 Sep 11	Change (last quarter to current)
Foster care (in-house)	179	178	185	200	197	-3
Foster care (external)	242	246	253	265	263	-2



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Placed for adoption	5	10	12	14	13	-1
In-house residential	10	10	10	10	10	0
Independent residential	42	41	46	44	37	-7
Hostels & other supported placements	54	45	37	38	39	1
Residential schools	9	8	6	5	4	1
Secure accommodation	0	1	5	4	2	-2
Other residential settings	10	4	9	10	9	-1
Placed at home	8	14	18	7	10	3
Other	9	3	2	2	4	2
Sub-Total	568	560	583	599	588	-11
Unaccompanied Minors	42	40	35	34	32	-2
Total	610	600	618	633	620	-13

6.18. Table 9 sets out a range of cost indicators over time for the placement types which accommodate the majority of LAC.

Table 9 Average unit cost (excluding overheads)

Cost per child/per week	2008/09 £	2009/10 £	2010/11 £
1) Children's homes			
Internal	2,541	2,887	2,598
external	2,056	2,333	2,384
Total	2,223	2,495	2,439
2) Foster care			
internal	393	403	407
external	769	808	796
Total	576	607	616

6.19. There are however within this average a range of placement costs which will depend on age and complexity of need and therefore variations are highly probable. However, the following supplementary information and analysis helps to understand the position better:

➤ **Internal foster care rates:**

A range of between £377 per week - £437 per week depending on age/need. (This does not include kinship where a child is placed with friends and family and the children's element is paid)

➤ **External foster care rates**

The range per week is £680 - £800, the average payment is £750.

➤ **External placement rates**

£2,000 - £3,500. The average is £2,663 per week; costs can be in excess of this range e.g. secure accommodation.



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6.20. The following paragraphs consider, based on the latest CIPFA benchmarking information for 2010, Haringey's performance on a range of measures against 6 comparator members of the Looked After Children benchmarking group. The comparison group comprises Greenwich, Islington, Lewisham, Wandsworth, Lambeth and Waltham Forest.

6.21. Data is submitted at the half year point and gives an informed view of the likely out-turn position for the end of the financial year. Whilst there are detailed notes of guidance provided when completing a return such as this, there will always be some variability in the data due to differing interpretation of this guidance and local differences in the way the data is recorded.

Table 10: Key statistics for Haringey and Comparator Authorities 2010-11 estimates.

Borough	Gross Cost / Child / Week	Population 0-17 (k)	Population (k)	LAC in Homes & Fostering
H	£1,091	53.1	226.1	548
Haringey	£1,063	49.0	225.5	482
D	£947	33.7	191.8	288
A	£781	53.9	283.3	449
X	£1,038	58.5	264.5	434
K	£1,140	54.3	224.3	297
S	£960	50.5	286.6	167

Note - Names of authorities cannot be revealed as data is confidential

6.22. Tables 11 and 12 below give some comparative information about the types of placements in which Haringey children are placed, their relative costs and how these compare to others.

Table 11: Composition of LAC by type of care 2010/11 Estimate.

	Number	%	Average
Children's Homes – own provision	14	2.4%	0.8%
Children's Homes – provided by others	31	5.2%	8.2%
Fostering – own provision	199	33.7%	34.9%
Fostering – provision by others	226	38.2%	39.7%
Residential Schools	12	2.0%	1.4%
Placed for adoption	9	1.5%	3.2%
Placed with parents	4	0.7%	2.1%
Independent living	1	0.2%	5.0%
Secure Welfare	1	0.2%	0.6%
Other	94	15.9%	5.3%
TOTAL	591		



Haringey Council

Table 12: Unit costs of Looked after Child

Unit costs (£ per child per week) 2010/11 Estimate		
	Gross costs*	Average
Local Authority Homes**	£3,043	£3,416
Other Homes	£2,941	£2,594
Local Authority Foster Care	£616	£600
Other Foster Care	£876	£859
TOTAL	£1,055	£1,020

* Gross costs exclude income received for children with complex needs (£645k for Haringey)

** Bed cost materially affected by level of occupancy

6.23. The key messages about the types of provision (and their relative costs) are shown below:

- Use of in-house children's homes is higher than the comparator group (2.4% of children c/w an average of 0.8%)
- Use of children's homes provided by others is lower than the comparator group (5.2% of children c/w an average of 8.2%)
- Use of in-house foster carers is in line with the comparator group (33.7% of children c/w an average of 34.9%)
- Use of external foster carers is in line with the comparator group (38.2% of children c/w an average of 39.7%)
- Our internal foster carers demonstrate slightly higher than average cost, costs in respect of other foster carers is very close to the average.

6.24. An overview of the above information demonstrates that whilst our placement costs are in the range of our statistical neighbours the comparative data does not enable a clear evaluation of value for money. The dimensions of quality and outcomes for children and young people are not built into the local and national benchmarking tools.

6.25. There is evidence that the changes in the mix of placement types and therefore relative costs has a positive impact on the relative financial efficiency of the service; there is scope to make further efficiencies in order to bring unit costs into line with the "best in class" and this work is being taken forward through the strategic improvement plan.

6.26. The work with the NLSA will provide a transparent mechanism for benchmarking and an early objective is to establish VFM quality measures.

7. Children's Legal Services

7.1. The number of active care proceeding cases in 2008/09 returned to 70-80 cases which had been the consistent average for many years after having dropped slightly in 2007 to 57.



Haringey Council

7.2. In 2009/10 the number of cases increased throughout the year, from 129 cases on 1 April 2010 and by December 2010 had reached 150 cases. The next peak, August 2011 saw 166 cases, this figure has now dropped back to December 2010 figures of 150 cases. The overall legal cost of cases involving LAC has increased over the last couple of years but has currently stabilised.

Table 13: Activity costs associated with Care Proceedings (£'000) excluding expert costs, as derived from the legal case management system.

	2008-09	2009-10	2010-11	2011-12 (projected YE)
Internal charge	556	961	1,475	1,498
Counsel	194	390	890	634
Court Fees	110	310	446	425
External solicitors			8	
Transcribers			12	21
Courier	4	8	4	5
Other	1	14	6	5
Outsourced		403		
Total	865	2,086	2,841	2,588

7.3. The forecast spend for 2011/12 set out above only relates to child care proceedings. The total forecast spend relating to Legal Services for the entire Children's Service's department is approximately £4.1 million. This includes spend on other children's matters such as children with disabilities and care leavers, adoption, fostering and special guardianship and judicial reviews and advice pre care proceedings and to the Local Safeguarding Children Board, together with spend on other legal services such as employment, property, contracts and education matters.. It also includes spend of approximately £0.6 million on experts. There is a forecast overspend relating to legal services of approximately £2 million for 2011/12. Management action has been taken to address this variance in the current financial year.

7.4. The steep increase in costs, between 2009/10 and 2010/11, was mainly due to an increase in the overall number of cases but to some extent was affected by court directed assessments which were previously paid for by Legal Services but then recharged. In addition, the full year impact of the increase of the court fees charged by the Ministry of Justice from 1 April 2008 was first seen in 2009/10, but it became more obvious with the increase in the number of cases. The fees were increased from £150 to £4,825 per case.

7.5. A number of care cases were outsourced to Islington Council in September 2008. All cases were taken back internally on 1 April 2010. The increase in workload in 2010/11 was absorbed within the establishment, with one additional legal assistant and one additional admin assistant.



Haringey Council

- 7.6. The internal hourly charge rate had to be increased in 2010/11 to cover the increased cost of employing more senior and experienced staff who had a greater capacity to cover the additional workload. The expected yearly staffing cost of internal staff in Legal Services working with LAC cases, including admin staff, is £1,393,000.
- 7.7. The average cost of in-house cases is currently £23.5K, this includes a number of high cost cases, some costing £50K-76K. The costs in high cost cases are attributable to the number of hearings, the number of court directed assessments and the overall length of time the case is in court. The average cost of cases outsourced to Islington council was £46K.
- 7.8. The overall associated legal costs of LAC include the costs of Counsel who represent the Local Authority at hearings in court when there is insufficient capacity available within the internal service or where the nature of the hearing is complex and requires a specialist advocate. Wherever possible hearings are covered at court by internal staff. The charge rates agreed between Counsel's Chambers and the London Borough of Haringey have not increased since they were agreed in 2007. The cost of counsel on a case is determined by the agreed charge rates multiplied by the number of hearings.
- 7.9. In relation to Counsel's fees the overall increase is attributable to an increase in the numbers of hearings on cases as well as the overall number of cases because the unit costs per hearing have stayed the same from 2007.
- 7.10. The Legal Services have the Law Society's Lexcel accreditation, which evidences compliance with the quality assurance standards of the profession both in relation to risk management and to customer care.
- 7.11. The Legal Services uses a BT based case management system Visualfiles which was implemented in July 2006. The current system is both a time recording system and a case management system and is an improvement from the previous system which was only a time recording system. As a case management system, Visualfiles enables template documents and e-mails to be created from the system and saved onto the system. Incoming e-mails and scanned documents can also be saved into the history. On each individual case a history of correspondence and documents can be kept and referred to which provides an electronic case record. The system can populate documents from pre recorded contact details but it is currently mainly used for its templates and time recording, although more automation is possible if there was the capacity available to develop the system further. The templates on the system are reviewed regularly and amended as necessary.
- 7.12. No statistics are currently kept in relation to the complexity of cases on the system. The system is however flexible and could for example be set up to capture the number of children and number of hearings for each case and other information in relation to complexity in order to produce reports if there was the capacity available for the system to be developed further. Legal costs are calculated for individual cases from the time spent by internal officers on casework which is allocated to each individual case. Case related payments for example, translators,



Haringey Council

process servers, court fees, experts fees and counsel's fees are all captured on each individual case.

- 7.13. Historically, the large number of temporary staff, both in Children's and Legal Services, together with a high turnover of staff, has had an impact on the costs of care proceedings as new staff had been unfamiliar with Haringey systems and practices and had to repeat work already undertaken on a case while they familiarised themselves with the case details. The lack of consistency of children's social workers led to an increased spend on, for example, independent social work assessments and both delay and increased case preparation in securing the return of social workers who have left the authority in order to give their evidence as witnesses in the care proceedings; this aspect has improved as a more permanent workforce is being established.
- 7.14. The reduction in court staff over the last couple of years has increased the demands on the legal services administration for example in the numbers of personal visits required to the court to issue urgent applications or to deliver and update bundles already at court because there are no court staff available to attend to faxes or emails. The numbers of judicial sitting days have been reduced which has lengthened care proceedings. The delays in the court listings leads to changes in the family's circumstances. For example parents will then maintain that the passage of time has led to improvements in their circumstances as a result of which they will apply for updated assessments to be undertaken.
- 7.15. In all care proceedings the use of expert witnesses causes delays because there are a limited pool of expert witnesses who are not usually available immediately to undertake a piece of work. Frequently their reports are delayed beyond the expected timescale when appointments are missed by parents or circumstances change and further work is required. If scheduled court hearings need to be re-listed there will be further delays while limited court availability is awaited and potentially further assessments because the process is dynamic.
- 7.16. Regular liaison takes place between managers in legal services and children's services with both the magistrates in the magistrate's courts and the judges in the county courts. They are not raising any specific concerns with us other than in relation to the impact of temporary staff leading to changes of social workers on cases. They feed back to us that the numbers of siblings and the complexities of the issues in Haringey's cases make these cases more difficult than those in other boroughs. This inevitably leads to a greater number of assessments and hearings at an increased overall cost.
- 7.17. Changes to the legal aid funding of parents and children in care proceedings mean that with the redrawing of legal aid franchise areas new firms of solicitors who represent parents do not know the communities and their resources. The increased limitations and inflexibilities of legal aid funding mean that parents' legal representatives are less able to give advice and to negotiate solutions outside care proceedings. Within care proceedings more time is required at court because of the inflexibility of the legal aid Family Advocacy Scheme unit costs. These funding



Haringey Council

changes have also capped the hourly rates and overall total costs that legally aided parents and children can pay towards the cost of court directed expert assessments. This is leading to hearings being adjourned while additional enquiries are made to find an expert who is willing to undertake the work at reduced costs or the necessary prior authority is obtained from the Legal Services Commission. There is also the potential for the local authority to be directed to fund any shortfall over and above the contribution that it would normally be directed to pay

- 7.18. Changes to the Child and Family Courts Advisory and Support Service (Cafcass) operational arrangements meant that until a few months ago there were long delays in the court being able to appoint a children's guardian. Consequently there were increases in contested interim hearings without their mediating influence and once appointed the children's guardians wanted to "start again" which led to duplication of assessments
- 7.19. A strategic review of legal services in 2007 to 2008 concluded that the legal services establishment was under resourced. This led to an increase in the establishment of the social care legal team in 2009 by 2.4 lawyer posts and 1 senior legal assistant. In addition 2 Advocate Lawyer posts were created both of which were filled in 2010.
- 7.20. In 2008 and 2009 the team was dealing with a maximum of 60 care cases in house with the remainder externalised to LB Islington. There was an ongoing difficulty in recruitment and retention and the calibre of the staff in the team prevented individual caseloads from being substantial. In addition the senior lawyers in the team spent much of their time shadowing the less skilled staff to ensure that the necessary quality of advice was given in children's cases. This was a commitment given by the legal service in implementing its action plan for improvement following the first Baby P serious case review which was completed in the autumn of 2007.
- 7.21. By 2010 as the numbers of care cases began to increase significantly so did the calibre of the staff. This enabled individual case loads to double and then treble without the need to increase staff numbers. The more experienced senior and more highly skilled staff removed the need for shadowing.
- 7.22. The numbers of court bundles prepared for court hearings set out below give a good indicator of the levels of activity month by month over the last year as follows:
- 425 in October 2010 (approx 1275 lever arch files);
 - 816 November 2010 (approx 2448 lever arch files);
 - 481 December 2010 (approx 1443 lever arch files)
 - 482 January 2011 (approx 1446 lever arch files)
 - 476 February 2011 (approx 1428 lever arch files)
 - 757 March 2011 (approx 2271 lever arch files)
 - 565 April (approx 1695 lever arch files)
 - 633 May 2011 (approx 1899 lever arch files)
 - 702 June 2011 (approx 2106 lever arch files)
 - 884 July 2011 (approx 2652 lever arch files)
 - 702 August 2011 (approx 2106 lever arch files)



Haringey Council

829 September 2011 (approx 2489 lever arch files)

- 7.23. Looking at the internal unit costs of cases over this period to 2010 these reduced slightly. The calibre of the current workforce has countered the external pressures described in preceding paragraphs of the report and prevented comparative increases in internal costs. This provides an excellent value for money service
- 7.24. The option of reducing legal and court costs is dependant on being able to retain and recruit good staff and good managers to provide a stable permanent workforce. This provides the opportunity to complete social work assessments and care planning pre care proceedings and enables the council to resist applications for further assessments and additional hearings within care proceedings. The overall cost of care proceedings reduces if there are less assessments and court hearings.
- 7.25. As confirmed in court liaison meetings this Council has particularly complex cases which add to the legal costs and there is no evidence to suggest that the Council is being risk averse in its approach. The only concern expressed by the Judges in liaison meetings with the Council is that there are cases in which care proceedings should have been issued sooner.
- 7.26. The preceding paragraphs explain why it was essential to stabilise the legal work in care cases from September 2008 until 1 April 2010 when the internal legal services only had the capacity to deal with a maximum of 60 care cases. The remainder were externalised to LB Islington because of the ongoing crisis in recruitment and retention in Haringey.
- 7.27. The relatively higher cost of cases undertaken by LB Islington illustrates the difficulties of liaison between an external legal service and the children's social work team and management structures to obtain timely instructions and to progress case planning. The cases undertaken by Islington were entirely without exception very protracted and therefore relatively more expensive.

Table 14: CAFCASS (Child and Family Court Advisory and Support Service)2011 comparator data.

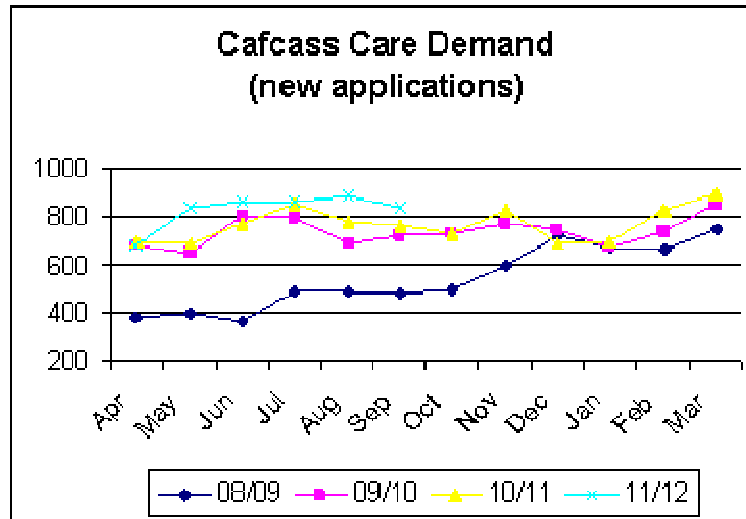
	08/09	09/10	10/11	11/12
Apr	380	682	693	675
May	399	648	686	832
Jun	369	801	773	857
Jul	485	791	848	860
Aug	492	687	776	886
Sep	483	723	757	835
Oct	496	725	730	
Nov	592	769	824	
Dec	719	743	689	
Jan	666	669	694	



Haringey Council

Feb	659	735	824	
Mar	748	853	895	
Total	6,488	8,826	9,189	4,945

Table Data for Care Proceedings Applications for England



7.28. In 2011-2012: care application demand has remained at a very high level. Between April and September 2011, Cafcass received 4,945 new applications. This figure is 9.1% higher when compared to the same period last year. Applications received between May to September this year has been the highest ever recorded by Cafcass for these individual months. The figures for August 2011 are the second highest care applications ever recorded for a single month by Cafcass.

7.29. During 2010-11, Cafcass experienced a 4.1% increase in care applications with 9,189 new applications up from 8,826 in 2009-10, which itself saw a 36% increase on applications received in 2008-2009. Care application demand for all months during 2010-2011 have been the highest ever recorded by Cafcass for the individual months except June and December 10. March 2011 saw the highest ever number of care applications recorded in an individual month, with 895 applications.

7.30. This data demonstrates that what was experienced in March and April in Haringey as an increase in Looked After Children was slightly ahead of the trend across England.

8. Prevention and Early Intervention - Delivering Early Help

8.1. Against a backdrop of reductions in budget and pressures due to the numbers of looked after children, the medium to long term cost reductions will be realised by ensuring that prevention and early intervention services are able to identify and work effectively with vulnerable children and young people who might otherwise need higher cost statutory intervention. Over several years there has been an increased focus on early intervention and prevention within the family, recently reinforced by the Munro review of child protection, and Graham Allen's report on the benefits of early intervention. In line with our prevention and early intervention strategy we will work



Haringey Council

with partners to ensure that services are delivered in close to the point of need and the help provided without the need for multiple assessments.

8.2. The children's service has responded to Rethinking Haringey by organising around and concentrating on its core priorities:

- Prevention and early intervention – providing early help
- Building capacity in schools and children's centres in order to improve attainment and life chances of children and young people and to support early intervention and continuing support for vulnerable children.
- Safeguarding our most vulnerable children and young people

8.3. The contribution of universal services and those managed and commissioned within the Prevention and Early Intervention business unit of the children's service will help to both reduce the flow of children and young people into the statutory social care system and to provide lower cost support to children with child protection plans and their families

8.4. In order to achieve this the service have been putting in place strategies to:-

- Improve the quality and capacity of in-borough specialist provision so that fewer children require specialist out-borough placements;
- Support families so that where possible children and families are kept together and their needs identified and supported using the most effective evidenced based support and interventions.
- Contribute to the earliest identification possible of those children that do need to be taken into care to ensure that effective permanency planning is facilitated where necessary, and costly interventions are not maintained for long periods of time that delay, rather than prevent, a child who needs to be in care coming into care; and
- Focus targeted and specialist interventions on the most vulnerable children, young people and their families and to work with universal services to agree clear expectations on how they will support certain children and young people below the thresholds that these services.

9. Comments of the Chief Finance Officer and financial implications

9.1. The forecast 2011/12 overspend of £1.286m relates to LAC placements only and does not take into account other parts of the Children and Families budget and of staffing pressures or the legal services budget pressure which is being managed outside of CYP. The forecast is consistent with that reported as part of the Council's budget management process.

9.2. The service are taking management actions to deal with the financial pressure it currently faces and, in addition to the actions set out above, are looking to make other efficiencies and maximise grant funding to minimise the overspend. It is possible that a balanced position could be achieved at the year-end although clearly this cannot be guaranteed.



Haringey Council

9.3. Members need to be aware also that budget savings have been pre-agreed by the Council of £1.98m and £0.74m in 2012/13 and 2013/14 respectively as part of the 2011/14 MTFP approved in February 2011. The Strategic Improvement Plan that the service are working on has these savings in mind and is planning to achieve them.

10. Head of Legal Services and legal implications

10.1. There are no additional comments from the Acting Head of Legal Services.

Comparator Data for Children who ceased to be looked after during the year ending 31 March by gender and age on ceasing yr ending 31/03/2010

	All children who ceased to be looked after during the year	Gender		Age on ceasing (years)				
		Male	Female	Under 1	1 to 4	5 to 9	10 to 15	16 and over
England	25,100	55%	45%	5%	24%	14%	22%	36%
London	5,440	54%	46%	4%	18%	13%	25%	40%
Hackney	140	54%	46%	x	21%	18%	25%	29%
Hammersmith and Fulham	115	65%	35%	x	17%	x	17%	43%
Haringey	260	54%	46%	4%	17%	19%	27%	33%
Islington	125	44%	52%	x	20%	x	16%	48%
Lambeth	250	58%	42%	6%	20%	12%	22%	40%
Lewisham	195	51%	49%	5%	23%	15%	23%	36%
Southwark	260	46%	54%	8%	23%	8%	19%	44%
Wandsworth	130	54%	46%	8%	19%	19%	35%	27%
Croydon	510	73%	27%	3%	8%	6%	14%	70%
Greenwich	280	50%	50%	4%	21%	14%	23%	36%
Waltham Forest	170	56%	44%	x	21%	15%	24%	35%