

**Update on the Children's Services budget position for 2017/18****Report by Joan Tranent, Head of Children's Services****1. Purpose of Report**

- 1.1** This report provides an update on the Children's Services budget position for 2017/18, and the factors which have contributed to a budget shortfall.
- 1.2** This report also provides some context in relation to trends and areas of future growth as a result of both legislation and as a result of the rapid increase in the population in particular in relation to young people.

**2. Background**

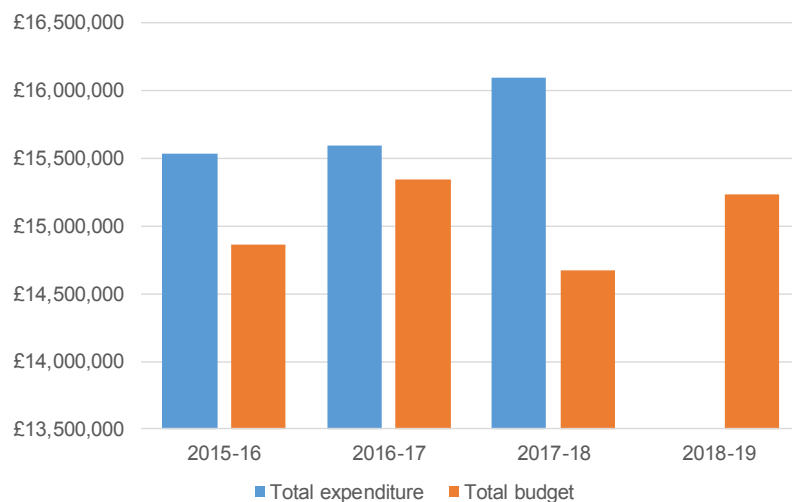
Children's Services has been successful in transforming children's services over the period from 2014 to 2017. This resulted in reducing spend of £300k across the staffing complement whilst ensuring that services were delivered at the salient point of delivery. Our vision 'to improve families' lives by giving them the support they need, when they need it' is embedded in all parts of the service.

However in the last two years children's services have experienced overspend in budgets and on reviewing the causes of this we found in the main the changing budget position is affected by secure placement and legislative and policy changes as set out below:

The Children's Services expenditure in some areas has risen exponentially over the last three years (see table/diagram 1).

Children's Services	2015-16	2016-17	2017-18	2018-19
Total expenditure	£15,537,178	£15,596,733	£16,098,076	N/a
Total budget allocation	£14,865,362	£15,348,339	£14,675,154	£15,234,429

*Table 1: Children's Services expenditure and budget over three years*



*Diagram 1: Children's Services expenditure and budget over three years*

### 3. Children's Services expenditure and budget

#### 3.1 Increase in the number of young people being placed in secure care.

The requirement for secure placements was much higher than anticipated and provided for in the budget. Secure placements and step down placements (which cost the same) amounted to £820,950 in 2017-18. As an authority, we have little control over these placements or when young people are released. At one point we had four young people in secure care, which is higher than usual and out of kilter with other local authorities of similar size.

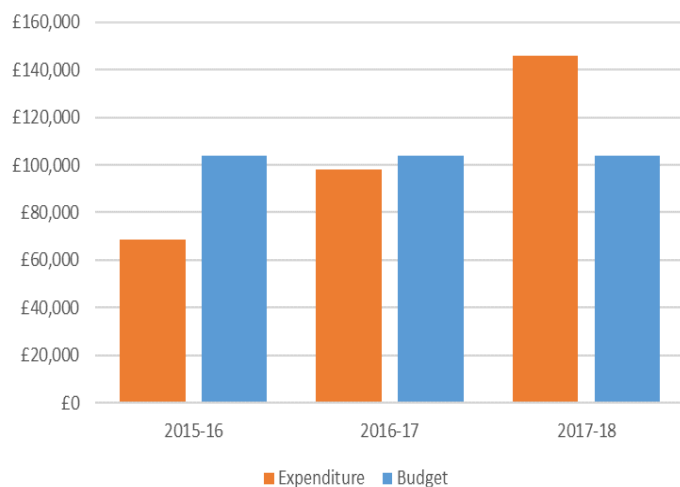
This is a concern both from a financial perspective and in relation to improving outcomes for a young person; secure care does not necessarily produce long term improvement in a young person's behaviour or circumstances. The service continues to challenge new demand and is looking at alternatives to secure care.

#### 3.2 Legislation/National Policy changes.

**3.2.1** The Children and Young People's (Scotland) Act 2014 brought new legislative requirements for the Council, to provide care placements for looked after children until the age of 21. Linked with this, we have seen an increase in the expenditure for rent for our looked after young people (see table 2).

Rents	2015-16	2016-17	2017-18
Total expenditure	£68,865	£98,344	£146,081
Total budget allocation	£104,103	£104,103	£104,103

*Table 2: Throughcare/Aftercare client rental expenditure and budget over three years*



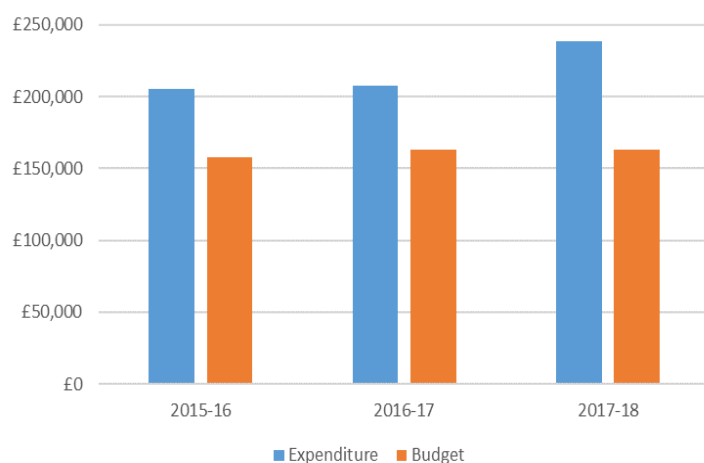
*Diagram 2: Throughcare/Aftercare client rental expenditure and budget*

### 3.2.2 Self Directed Support

The Social Care (Self-directed Support) (Scotland) Act 2013 came into force in April 2014, placing a duty on local authorities to offer people a range of choices over how they receive their social care and support. This gives service users and their families the choice of receiving a direct cash payment with the aim of giving them more control over how they use the funds they are entitled to.

Direct Payments	2015-16	2016-17	2017-18
Total expenditure	£205,274	£207,391	£238,540
Total budget allocation	£158,147	£163,147	£163,147

*Table 3: Direct payments expenditure and budget over three years*



*Diagram 3: Direct payments expenditure and budget over three years*

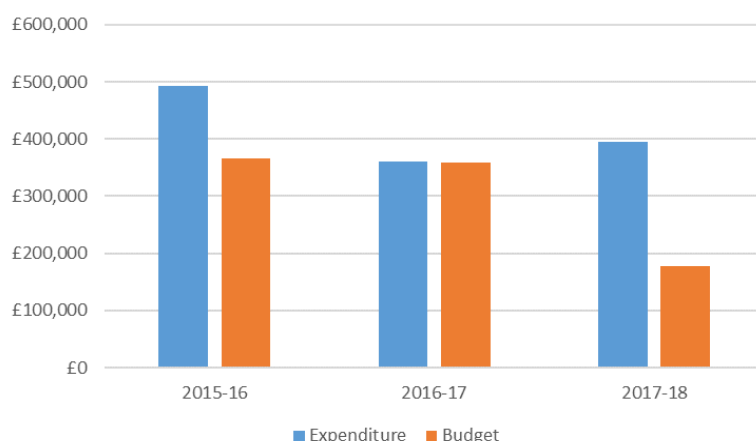
Similar to other local authorities, since the implementation of self-directed support, we have seen a year-on-year increase in direct payment requests from service users, as more people become aware of the full options available to them. Research undertaken by Alliance Scotland in 2017 found 37.5 per cent of children, young people and families across Scotland chose the option of a direct payment. It is anticipated this figure will rise again in 2018-19. Further research is required on the impact of self-directed support across Scotland and the options available to people.

### 3.2.3 Children with Disabilities

In 2017-18, we saw higher than anticipated levels of demand for services that support children with disabilities and their families; factors contributing to this rise includes earlier diagnosis and increased diagnosis of children with disabilities.

	2015-16	2016-17	2017-18
Expenditure	£492,736	£361,266	£395,928
Budget allocation	£365,594	£358,510	£178,101
Variance	£127,142	£2,756	£217,828

*Table 4: respite care payments expenditure and budget over three years*



*Diagram 4: respite care payments expenditure and budget over three years*

The service continues to look at innovative ways to deliver services whilst doing the best for the children and young people involved. For example, this year we opened a new house in Midlothian for two young people with severe and complex needs, which is run by Action for Children staff. Since the closure of the summer play scheme at Saltergate in 2016, we continue to work in partnership with parents, carers and agencies to identify the most suitable supports for families.

### 3.2.3 Taxis for Children

There was a decrease in numbers of taxis used for children without disabilities in 2016-17 due to tighter management of this area; the costs have crept up again despite continued close monitoring; it is evident that further work is required on this.

	2015-16	2016-17	2017-18
Children with disabilities	£91,432	£86,292	£69,735
Children without disabilities	£90,211	£82,138	£142,249
Total expenditure	£181,643	£168,431	£211,984
Total budget allocation	£145,483	£145,483	£161,483
Variance	£36,160	£22,948	£50,501

*Table 5: taxi expenditure and budget over three years*

### 3.2.4. Demographic changes

As the fastest growing local authority in Scotland we are seeing an increase in the number of children and young people living in Midlothian over the coming years. This will lead to a demand in services as Midlothian's populations increase.

Age		2018	2030
0 to 4 years		5,657	6,409
5 to 9 years		5,366	6,622
10 to 14 years		4,855	6,277
15 to 19 years		4,980	6,073
		20,858	25,381

*Table 6: current and projected population size for Midlothian*

## 4. Report Implications

### 4.1 Resource

The budget position remains an ongoing challenge and the need to ensure we have adequate resources within Midlothian to ensure that where possible no child or young person needs accommodated or schooling out-with Midlothian continues to be a key priority. We continue to work in partnership with Education, Health and Police Scotland our key partners in promoting this ethos.

### 4.2 Risk

There is the risk that if we do not accurately project future budgets we shall continue to be at risk of overspending. It is clear that further funding is

required in particular to meet the increased demands for the 16-21 year olds in relation to their housing needs in particular.

### **4.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

### **4.4 Impact on Performance and Outcomes**

Ensuring young people remain within their local communities will improve performance reporting and more importantly improve outcomes for young people.

### **4.5 Adopting a Preventative Approach**

We are looking at alternative ways of doing things and have set up a project team to look at an alternative options to secure care. Not only would this be economically more viable but would also offer improved outcomes for young people. Given the intensive resources that would be required for this pilot we would anticipate that an outreach service would also be incorporated within this business model.

### **4.6 Involving Communities and Other Stakeholders**

We are consulting with staff and partner agencies and will also engage with young people around their views and ideas via the Midlothian Champions Group.

### **4.7 Ensuring Equalities**

Care Experienced young people tend to be discriminated against because they are in care, they can be further discriminated if they are then sent to secure care. Therefore by looking at alternatives to secure care we are reducing the stigmatising that often follows, having resided in a placement out-with the local authority and their local community.

### **4.8 Supporting Sustainable Development**

N/A

### **4.9 IT Issues**

N/A

## **5 Summary**

Whilst there will always be need for secure care in extreme circumstances, if we were able to offer an alternative at an earlier point of assessment, it may be that we are able to avoid such an intrusive form of intervention.

With regard to the other areas of higher than anticipated expenditure we shall continue to monitor this and lobby for additional funding as the population grows with Midlothian so that we can meet the ever growing demands.

## **6 Recommendations**

Cabinet is request to:

1. To note the areas of overspend within the report and the cross council approach to addressing this issue.

Date: 14<sup>th</sup> August 2018

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