CHILDREN'S SERVICES MEDIUM TERM FINANCIAL STRATEGY (REVISION 2)

2017 – 2021

1. Background

1.1 The Children's Services budgets for 2015/16 and 2016/17 benefited from contributions from central reserves of respectively £2.3m and £1.1m, with the 2016/17 budget set at £28.9m. The previous Children's Services 5 year Financial Strategy, agreed by full Council in October 2014 as part of the budget process, proposed the gradual reduction of expenditure and return of revenue to balances, through a combination of measures to reduce placement and staffing costs.

1.2 However at the end of Quarter 1 of the current financial year, which is Year 2 of the 5 year strategy (2016/2021), Children's Services were projecting an overspend of £1.3m. Action taken by the new Director of Children's Services (DCS) in July, to freeze vacancies and reduce agency costs, has gone some way to address this but slippage with placement changes built into the current year has the continued potential to cause a significant overspend. A worst case scenario, allowing for no savings from the 2016/17 placement changes or actions to address other cost pressures would result in an overspend of around £2.2m. The proposed budget for 2017/18 reflects the financial position in the current year.

1.3 This Medium Term Financial Strategy (MTFS) sets out a revised approach towards the reduction of costs by aligning the change process with the development of the capacity and culture within Children's Services necessary to ensure its delivery. The scale and pace of change has also been carefully profiled to ensure this is normative rather than exceptional and is further informed by the work undertaken by the Chartered Institute of Public Finance Accountants (CIPFA) and Peopletoo (commissioned by the Local Government Association (LGA)) to review social care expenditure and costs.

1.4 Attached at Appendix 1 is a detailed action plan and at Appendix 2 is a summary of the savings proposals for the period 2017 - 2021. It should be emphasised that this is a financial strategy setting out a range of potential savings, based on a significant planned change in practice occurring within the context of our improvement journey. How those savings are incorporated within the budget setting process will be a matter for further discussion and consideration.

2. Why have previous plans failed?

2.1 The reductions in costs envisaged in the previous 5 year financial strategy arose in the significant majority through a reduction in placement costs and, within that, two key elements. Firstly, it envisaged bringing Children Looked After (CLA) numbers in line with statistical comparators by 2018/19 and; secondly, a shift in the balance of placement spend away from high cost residential and independent foster care placements, towards in house foster care.

2.2 The table below outlines the reduction in the CLA population proposed by the 5 year financial strategy both in absolute numbers and as a rate per 10,000 population (which is the comparator used by the Department for Education (DfE) set against the current position.

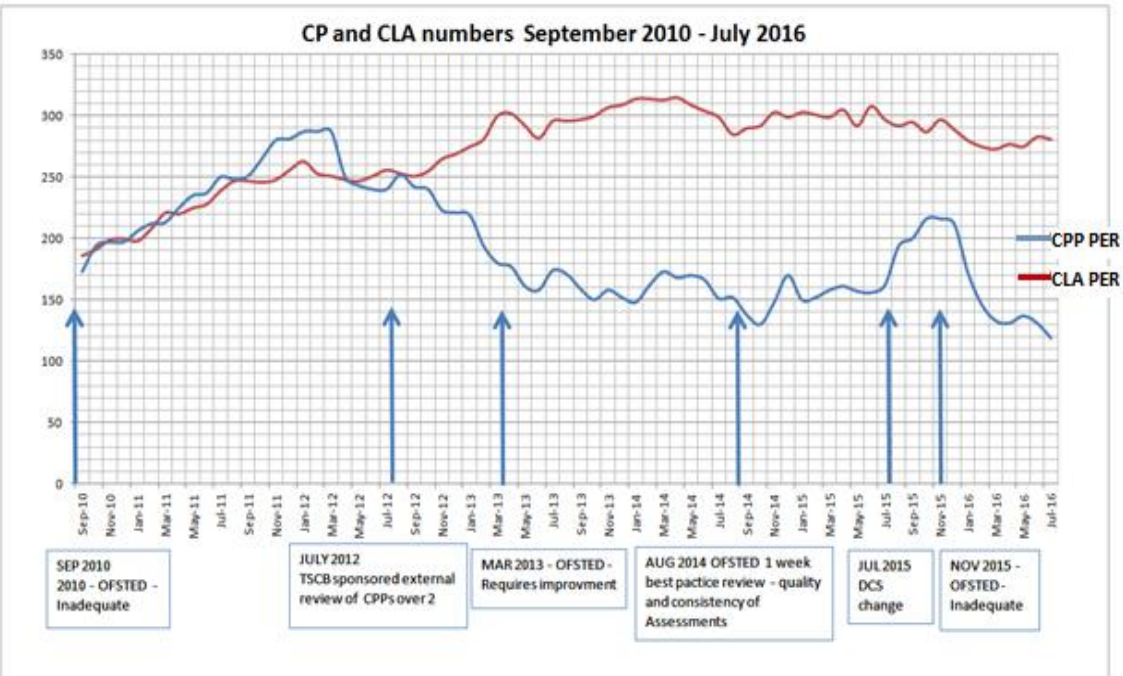
Table 1: Previous 5yr Plan for CLA population reduction

Torbay CLA Population				
YEAR	November 2016	2016/17	2017/18	2018/19
Number	279	242	211	180
Rate/10K	111	97	84	72

2.3 It should be noted that the above figures do not include children coming to Torbay under the Unaccompanied Asylum Seeking Children (Unaccompanied Asylum Seeking Children Scheme (UASC), where direct placement costs will be met by Central Government for any child requiring to be accommodated, with numbers limited to 0.07% of child population (18 in total currently 4).

2.4 Torbay has had one of the highest CLA rates (per 10k child population) nationally for some time. The graph below outlines the changes in the CLA and child protection populations over time, and includes the dates of Ofsted inspections and other key milestones. The graph illustrates what could be argued to be a **'low risk – high cost'** strategy for social care that developed in response to the 2010 Ofsted inspection and has continued more or less unchanged to date. When considered in this context, the aim of the previous financial plan to bring the CLA population in line with statistical comparators over three years represented a fundamental shift in approach.

Graph: Child Protection and Children Looked After Numbers 2010 – 2016



2.5 The current year of the previous 5 year financial plan also included 27 placement changes/exits from care due to be delivered during 2016/17, from July 2016 onwards. As part of the work commenced by the new DCS at the request of the Executive Lead Member to address the in year pressure, it was identified that the July and early August dates had slipped. The table below sets out the monthly increases in the budget pressure that will occur if these changes are not achieved. Work is now underway to progress the changes via a dedicated placements/contracts team, the details of which are set out later in the report.

Table 2: Cumulative costs incurred through placement slippage 2016/2017

Month	**Increase (£)**
July (2016)	7,526
August	21,560
September	82,105
October	101,205
November	108,655
December	158,471
January	181,763
February	164,173
March (2017)	181,763
Total	**1,007,221**

2.6 There are a number of significant factors contributing to the failure of the previous financial strategy:

- the pace and scale of reduction in the CLA population was unrealistic, requiring a level of performance that no other local authority has achieved on a sustained basis, against a background of growth elsewhere. Over the period 2011 – 2015 CLA populations increased 6% nationally (average) and 12% amongst statistical comparators;

- the national increase in the number of children in care is being driven by a number of factors around which there is a broad consensus: a much better awareness and identification of child abuse and neglect from a range of partners; the better application of consistent thresholds to receive help as a result of revised statutory guidance (‘Working Together to Safeguard Children’ 2015); a growing professional risk aversion amongst partners driven by national child care scandals (‘I don’t want it to be me…’); some evidence of the impact of recession and austerity on families; the discovery of ‘new’ forms of abuse such as child sexual exploitation; the creation of a number of new policy initiatives such as ‘staying put’ which allow teenagers to stay in their foster care placements; children remanded to custody being treated as children in care; a range of new legal processes such as the ‘public law outline’ which drive local authorities to put more case decisions before the family courts; a drive by the courts for all cases to conclude within 26 weeks; and finally national policy such as the redistribution of unaccompanied asylum seeking children. Many of these policy initiatives and changes are arguably good things but have; it could be argued, led to higher rates of awareness and activity across a wider range of risk factors leading to higher numbers of children in care.

- the essential arrangements to deliver the significant change in strategy from a low risk - high cost approach towards a focus on exits from care and the redistribution of costs away from residential and independent foster care agencies towards in house foster provision, were not put in place. Most obviously the department had no dedicated placements/contracts team resulting in social workers undertaking placement searches and negotiating costs with no expertise in this area, and little or no central co-ordination of placement activity. This has also contributed to the overall problem with costs due to the use of higher cost independent foster carers, when in house foster carer capacity was available;

- the practice and management culture within Children's Services was not aligned with the change in strategy which has continued to favour placement stability over effective permanence planning. As a consequence, a significant proportion of the CLA population has long term foster care as their permanence plan, with few planned exits from care other than via adoption and age;

- the necessary management oversight and performance arrangements to link practice and placement planning with the development of costs were not in place. This includes the costs and accessibility of specialist education provision, which has resulted in cost being incorrectly aligned to the Higher Needs block of Dedicated Schools Grant (DSG).

3. Key Objectives

3.1 The key objectives of the MTFS over the period 2017 - 2021 are:

- to bring social care staffing and support costs more in line with statistical comparators;

- to bring placement costs and the children looked after population costs more line with statistical comparators;

- to put in place the management culture, business processes and arrangements to ensure future performance and expenditure compares favourably with statistical comparators on a sustained basis;

- to align activity to reduce expenditure with improvement activity;

- to ensure the children's services budget is stabilised in support of transition to an alternative delivery model (ADM).

4. Links with Improvement Activity

4.1 Torbay Children's Services is currently in DfE intervention with the Chief Executive of Hampshire County Council appointed as the DfE Commissioner, and Hampshire Children's Services acting as improvement partner. A significant element within the improvement journey has been the focus on ensuring that the basics of effective practice are in place from first contact through to permanence.

4.2 The links between improved outcomes for children and sound financial management are obvious. Poor decision making and planning results in delay, a lack of good quality placement options, drift in progressing the child's journey and the inefficient use of key resources. All of these are features of Torbay Children's Services that are being addressed through the improvement journey, whilst simultaneously supporting the financial strategy. The most significant barrier to achieving the latter is cultural. There remains a lack of financial awareness amongst middle management and permeating downwards, alongside a lack of grip on resource based decision making.

4.3 Change in this critical area will be driven by the DCS and Interim Assistant Director Children's Safeguarding as part of the management and governance aspect of the improvement journey. Undoubtedly, this work will require a significant transformation in the way in which social workers are required to work. As well as the work being undertaken to reform the governance of children's social care, significant intellectual resource will need to be applied to develop a new operating model that enables families to be more resilient and able to change in order that more children and young people can be safely cared for in their family rather than brought into care.

4.4 The work to secure efficiencies must also be carefully balanced with improvement activity, with the emphasis on building the necessary culture and organisational infrastructure for both, being the key priority for 2017/18. This will be an important consideration for the DfE Commissioner.

5. Priority Area for Actions

5.1 The key savings elements within the MTFS will arise across 4 key themes:

- the re-profiling of costs within the CLA population to reduce proportionate and absolute expenditure on residential and independent foster care placements;
- the gradual reduction of the CLA population to bring it in line with statistical comparators at an achievable rate;
- the reduction of social care staffing and support costs to bring these in line with statistical comparators;
- savings from other areas of activity, primarily from commissioned activities.

5.2 The MTFS takes a phased approach with the immediate priority placed on the balance of costs within existing CLA population levels and reviewing the costs of existing residential placements to ensure these provide value for money. Savings from reducing the CLA population and reduced staffing and support costs will become more significant as the improvement journey becomes embedded, from 2018/19 onwards. Each of the key themes is set out in more detail below.

5.3 Re-profiling of Placement Costs

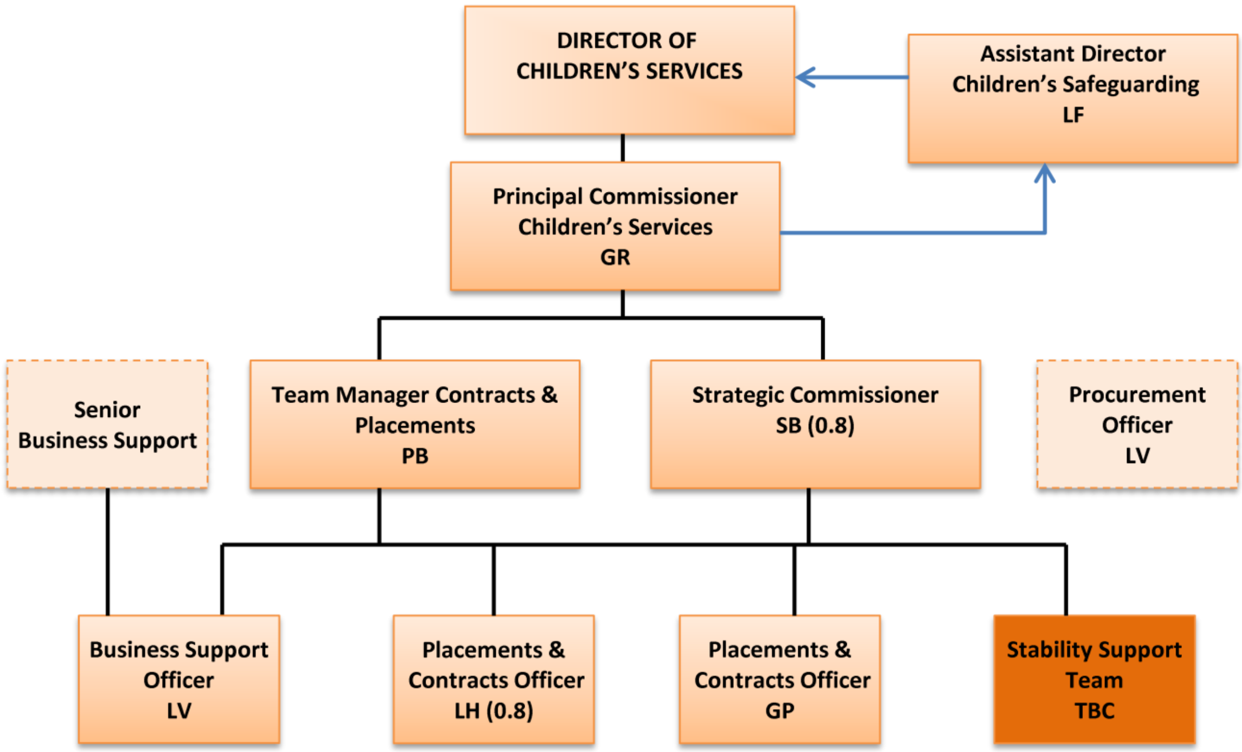
5.3.1 Both the CIPFA peer review team and Peopletoo, commissioned by the LGA, have identified that the numbers of residential placements and use of Independent Fostering Agencies are higher than statistical comparators. Not only are CLA numbers exceptionally high, unit costs and the number of residential placements for those children are also high. Spending on the 28 children currently in residential placements costs around £5.3m per annum, with the costs per child ranging from £377k per annum for one child, with an average placement cost of £190k per annum. However, it is important to note that Torbay's proportionate use of residential 12% is not markedly out of sync with statistical comparators (11%) and national (9%), highlighting the need to address the population numbers.

5.3.2 The MTFS proposes the gradual increase in foster care capacity, across both in house and independent foster carers, and to make better use of in house resources as the means of reducing spend on residential placements, as part of an improved permanence strategy that also delivers better outcomes for children. The growth in capacity is set out in more detail in Appendix 1.

5.3.3 A dedicated placements and contracting team, reporting to the Assistant Director Children's Safeguarding will be in place from 5 December to support this part of the MTFS. The structure for the team, which will take responsibility for all placement work within the department, is set out below. The placements and contracting team will be crucial to the development of a proactive, child centred permanence strategy and undertake the following key functions:

- bringing all elements of Children's Services contracts and commissioning into one place;
- conducting searches for placements and update records with finance, contract and quality data;
- ensuring that placements information is accessible on the child's file with evidence of agreements and authorisations;
- ensuring market development for sufficiency for CLA – meeting with providers and co-commissioners to ensure a diverse range of provision to meet the needs of Torbay children;
- managing relationships with a range of providers;
- working with the Peninsular Group to ensure the needs of Torbay are met through Peninsular market development and commissioning;
- ensuring that there are robust contracts in place for all placements and services, with regular review to ensure these are proportionate to need, achieving best value for the LA;
- ensuring that financial regulations are met through the procurement of all eligible services;
- providing a range of information and data on demand, cost and volume to develop the market position statement and sufficiency strategy;
- providing financial monitoring of the placements budget in conjunction with Finance colleagues.

Placement, Commissioning and Contracts Team



5.4 CLA Population and Total Costs

5.4.1 The previous financial plan envisaged a rate of reduction in the CLA population (around 30+% in total over 3 years) which was unrealistic, when compared to the performance of other Local Authorities (LA's), and represented a profound shift in the culture of the department which has been focussed on a 'low risk-high cost' strategy for a number of years. Matters were further compounded by underdeveloped permanence planning in which too many children had long term foster care as their only permanence plan.

5.4.2 Permanence can be understood as a framework that comprises emotional permanence (attachment), physical permanence (placement stability) and legal permanence (the carer has parental responsibility for the child). Permanence for individual children can be delivered via a range of options:

- a successful return to the birth family;
- family or friends, preferably supported by a private law order such as Child Care Arrangement Order or Special Guardianship Order (SGO);
- long term foster care, where it is agreed the child will remain with the foster carers until adulthood;
- adoption, for children unable to return to their birth or wider family.

5.4.3 It is important to note that the objectives of the MFTS can only be achieved through high quality, child centred permanence planning as an integral element within Torbay's improvement journey. This will encompass any changes of placement for children remaining in care, through what might be termed 'step downs', alongside planned exits from care. Put simply, children cannot and will not be moved between placements or subject to change in their legal status solely to achieve cost savings.

5.4.4 Effective permanence planning requires the combined work of social care and educational practitioners and Independent Reviewing Officers (IRO), whose role is to ensure that care planning is subject to challenge and scrutiny. Analysis of the CLA population and of the wider processes/resources to deliver effective permanence planning, within the context of the previous 5 year plan, highlighted the following:

- there was an absence for children looked after of a management tool/tracker to connect permanence planning with the development of costs over time. Financial costs for CLA were subject to detailed monitoring but this was not linked to care planning, which in turn lacked a focus on permanence. A tracker has now been introduced which will outline planned exits over each month and enable senior managers to monitor progress and changes in costs;

- there is a lack of evidence of effective permanence planning for a significant number of children currently in long term foster care. There are also a number of older children with limited permanence options and who are likely to remain in care until they are 18 years, but with some older children also suitable for reunification;

- the impact of the IROs as a driving force for effective permanence planning is difficult to discern;

- currently the majority of exits from care in the current year will derive from maturation (18 years) and adoption – rehabilitation/private law orders barely feature. It is also the case that some children exiting care at 18 years will have continuing costs due to their vulnerabilities;

- a lack of clarity around decision making and oversight of placements where there is a significant and specialist educational component.

5.4.5 The CLA population at the end of November 2016 is at **279**. The review of the current CLA population recently completed at the request of the DCS has identified around **49 planned exits** for 2017/18 (not net reduction). As such, although the rate of new entrants to care is now in line comparators, the potential for immediate and significant reductions In the CLA will be limited until a more proactive approach towards permanence planning becomes embedded over the coming months.

5.4.6 The MFTS proposes a net reduction of between **10-15** per year for each year of the strategy commencing 2018/19 which is a more realistic and achievable target given the barriers to change identified above. A reduction in the population may well occur during 2017/18 but it would be prudent to progress the revision of our permanence strategy before setting targets for that year. The proposed reduction will bring

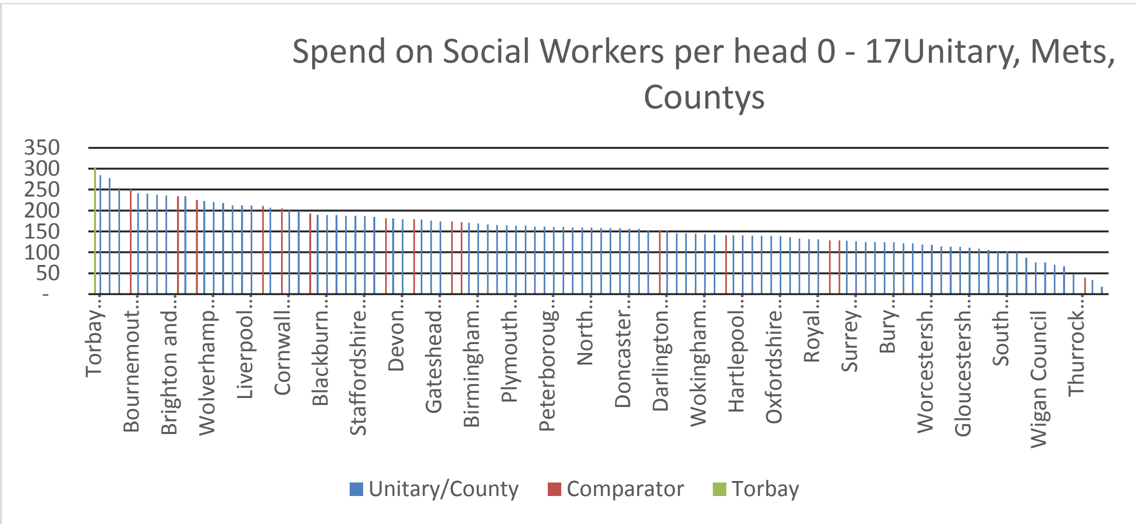
Torbay closer to the statistical neighbour average but will occur within the context of a general rise in CLA populations across the country.

5.4.7 Cost savings from a net reduction in CLA numbers will vary depending on the children's placement type within care and their subsequent destination. A child leaving residential care to return home would deliver the greatest saving based on average costs but is also the most unlikely in practice terms, albeit that there will be some opportunities. Most of our children looked after are in foster care and continuing support through a SGO will feature in many exits from care, thereby involving the continuation of costs albeit at a reduced rate. As a consequence, the MFTS takes a cautious approach towards savings from CLA reductions at least until the tracking systems recently established are embedded and able to provide a fuller appreciation of any changes in cost to senior managers. It is also the case that projected savings will have a wide upper and lower range, due to the number of permutations and combinations of placement type and routes out of care. This is reflected in the Action Plan at Appendix 1.

5.5 Social Worker Staffing and Support Costs

5.5.1 In July, the incoming DCS took action to address the in year budget pressure through the freezing of vacant posts and reduction of agency spend which delivered around £420K in 2016/2017 and £780K for the full year 2017/18. The CIPFA data which has indentified Torbay as an outlier in terms of spend will not account for these reductions or conversely, the additional investment in Business Support Posts put in place in 2016/17. Notwithstanding the factoring in of these changes, it is acknowledged that Torbay's staffing and support costs are higher than comparators.

5.5.2 The graph below shows spend on social workers in population terms. Torbay is represented in grey as the highest proportionate spender on the far left, its comparator group in orange, other unitaries, counties and metropolitan authorities in blue (London Boroughs excluded). This shows the highest spend on social work per head of population (0-17 years) outside of London, which will required to be unpicked through a detailed review of social care staffing and support costs, which is proposed within the Action Plan attached at Appendix 1. This process will need to factor in the very high levels of demand in Torbay to ensure caseloads remain within acceptable limits.



5.5.3 The freeze on vacancies and agency spend introduced by the DCS in August 2016 will have a full year value of around £780k for 2017/18. This will deliver around £260k of net savings in that year, when allowance is made for the vacancy management target of £520k built into the 2016/17 budget. There are also around 7 business support posts on 12 month contracts will cease during 2017/18 and it is likely these will not be replaced delivering a further saving of around £129k.

5.5.4 The DCS and Interim Assistant Director Children's Safeguarding will be undertaking a detailed review of social care structures to identify the potential for further staffing efficiencies to be implemented from 2018/19 onwards, as improvement becomes embedded. Acknowledging that the service is in intervention there are no detailed, costed proposals to further reduce social care staffing during 2017/18, until improvement is embedded and populations and caseloads allow for this. The MTFS does, however, propose a managed reduction in agency spend from 2017/18 alongside the staffing savings identified above.

5.6 Other Savings' Proposals

5.6.1 It is proposed to increase the timeliness and number of adoptions to bring these more in line with statistical comparators as part of our improved permanence planning. Currently we are planning for 22 adoptions in 2016/17. Peopletoo have modelled a saving of around £174k per annum based on reducing adoption timescales by 75 days, based on average daily care costs. Current projections suggest we are on target to exceed this reduction but further analysis is needed to determine the extent of savings.

5.6.2 Early help arrangements are not clear and consequently form a key element within the improvement plan. It is not possible to model savings at this stage which will arise from the prevention of cases escalating to high cost services and cases stepped down successfully.

5.6.3 Peopletoo has suggested that a range of commissioned services could be redesigned and/or re-procured to deliver efficiencies. These are identified within the action plan at pages 14/15 of the Action Plan. A number of these elements also appear within the Draft Revenue Budget currently subject to consultation and as such further work will be needed to align both sets of proposals.

6. Action Plan

6.1 A detailed action plan setting out how savings will be realised is attached at Appendix 1 with a summary of savings set out in Appendix 2. This draws heavily on the work undertaken by Peopletoo, who were commissioned by the LGA as part of their broader support to Torbay Council. It has also been shared with the CIPFA peer review team who have advised that it is a reasonable and credible plan, based on their own assessment of Torbay Children's Services expenditure.

6.2 A number of the savings relating to CLA costs are based on a precise number of additional placements delivering a change in the proportionate split of residential, independent and foster care placements. Increases in the numbers and timeliness of adoption and an increase in the use of SGO's are further features. The savings totals are estimates based on current average costs and reflect the balance of placement costs within the existing population. A number of the savings are already contained within the draft Revenue Budget (2017/18) currently subject to consultation and further work will be needed to ensure the proposals within the MFTS are aligned. The 2017/18 savings figure has also been adjusted by 50% to allow for the gradual implementation of savings proposals over the year. The figures have also been rounded to the nearest £1k.

7. Monitoring and Review

7.1 Progress to deliver the savings outlined within the MTFS will be monitored through a variety of mechanisms. It will be a standing item on Children's Services Senior Leadership Team (SLT), with regular updates to Corporate SLT, alongside regular review via the one to one meetings between the DCS and Chief Executive and Executive Lead Member.

7.2 The Members Monitoring Group, comprising of elected member representatives from all political groups, will also work with the DCS to monitor progress and, when appropriate, make recommendations to further develop or amend the overall strategy. The MTFS will also feed into the corporate quarterly cycle of budget and performance reporting to Mayor's Executive Group and full Council.

8. Conclusions

8.1 Children's Social Care has two significant areas of expenditure that are key to unlocking the potential for substantive efficiencies and integral to our improvement journey. The population and consequential spend on CLA (circa £13.9m) are comparatively high as are our staffing and support costs (circa £11.9m). Torbay Children's Services are therefore expensive and underperforming when compared with statistical neighbours – a situation that has occurred due to a complex set of historical and situational factors. Practice, care planning and management oversight have all been weak compounded by the failure to direct the required resources, both within the department and corporately, to the points of maximum impact and need.

8.2 As a consequence, the MTFS takes a measured approach towards these two major areas of spend to ensure the necessary infrastructure and culture is put in place during 2017/18 to secure the delivery of a sustainably improved level of performance in subsequent years. The redistribution and overall reduction of CLA costs will not occur until permanence planning is effective, including concurrent planning for unborn children in appropriate cases. Staffing and support costs will reduce in 2017/2018 however a detailed review of social care and early help staffing structures will be necessary, alongside a sustained improvement in performance, before a definite view of future costs can be determined with confidence.

8.3 The Action Plan attached at Appendix 1 sets out a range of proposals whose pace and scale have been aligned with a measured journey towards the performance of statistical comparators. A number of the proposals, such as the development of in-house or partnership residential provision, will require further more detailed business cases to be developed. As such, the MTFS will continue to mature over time and careful consideration will be needed to determine how savings proposals will be captured within the Council's budget planning cycle. This will also encompass how and when the department will be in a position to return the £3.4m investment from Council reserves.

Andy Dempsey

Director of Children's Services

(Rev 2: 11 January 2017)

Torbay Children's Social Care Financial Action Plan – November 2016

Activity	Additional Resources / Actions Required	Planned Saving (link with Financial Improvement Plan)
PLACEMENT MANAGEMENT: RE PROFILING OF EXPENDITURE **Strategic Aim:** Strengthen our Permanence Planning and Sufficiency Strategy to ensure there is a robust, efficient and effective plan in place to meet the demands of Torbay's CLA population going forward. **Operational Objectives** • Increase the capacity in-house foster care placements thereby reducing the usage of IFA placements for less complex cases, realigning the current split of 70% In House placements to 30% IFAs to 80% / 20%. • Improve the percentage of children leaving care as a result of placing within a connected person or via an SGO placement to a level in line with statistical neighbours. • Develop of a clear strategy to increase the capacity of higher skilled IFA placements that can support wrap around Foster Care placements and hence reduce the usage of residential provision. • Explore the development of in house/partner managed residential provision to reduce the cost of procuring external placements. • Ensure the sufficiency strategy takes account of appropriate educational provision within placement decisions and capacity building. • Refresh decision making processes and management	A dedicated contracting/placements team has been established (commencing 5.12.16) to progress the capacity development necessary to deliver these elements. This proposal will require a detailed business case and engagement with local housing/residential care providers. There may well be some capital expenditure required.	**Reduction in usage of Independent Fostering Agency Placements**. *Proposal based on moving from a 2016/17 split of 70%-30% In House to IFA to 80%/20% - total increase of 20 In House Placements over 3 years:* 2017/18: £129k (5 placements) 2018/19: £181k (7 placements) 2019/20: £207k (8 placements) **Reduction in externally provided residential placements through development of higher skilled IFAs with wrap around care.** *The difference in annual cost of a residential placement versus a high end IFA is £126,705. Proposal is to transition 10 young people from Residential to IFAs over 3 years.* 2017/18: £253k (2 placements) 2018/19: £506k (4 placements) 2019/20: £506k (4 placements) **Create 3 x 2 bed in-house homes as a replacement for high cost placements.** *Based on the average annual cost of the 5 most expensive placements minus the estimated cost of running 3 x 2 bed in house homes (£1,582k - £840k = £742k saving).* **Implementation by 2019/20**

oversight arrangements to ensure placement decisions take account of the costs of educational provision.	Increasing exits from care will form a key element within the department's revised permanence strategy.	2019/20: £742k **Improve the percentage of children leaving care as a result of placing with a Connected Person or SGO.** *Current percentage 8% against SN average and national average of 11% (2014/15 figures). To reach target of 11% would equate to moving 9 children to CP/SGO placements, based on average foster care costs.* 2017/18: £49k (3 placements) 2018/19: £98k (6 placements)
Activity	**Additional Resources required**	**Planned Saving (link with Financial Improvement Plan)**
ADOPTION: SCALE AND TIMELINESS **Strategic Aim** Review and strengthen the Adoption Strategy to grow capacity to ensure there is a robust, efficient and effective plan in place to meet the demands of Torbay's LAC population in respect of adoption as a positive outcome from care. **Operational Objectives:** • Increase the number of children who leave care as a result of adoption to a level in line with statistical neighbours. • Accelerate the pace of adoption from entering care to becoming adopted to a level in line with statistical neighbours.	Our timeliness of adoption is already improving from the baseline identified by Peopletoo 623 days (3 yr rolling average). Based on current projections this will reduce to 516 at end of 2016 and 447 at end of 2017.	**Improving the percentage of children leaving care as a result of adoption.** *Based on increasing the percentage leaving for adoption from 16% to SN average of 23% (2014/15 figures), equating to 20 additional placements. Saving based on average foster care placement cost at 70%/30% current In House / IFA split.* 2017/18: £85k (3 placements) 2018/19: £141k (5 placements) 2019/20: £141k (5 placements) 2020/21: £197k (7 placements) **Acceleration of Adoption from the point of entering care.** *Based on reducing the time from care to adoption by 75 days to become in line with statistical neighbours. Saving based on average foster care placement cost at 70%/30% current In House / IFA split.* 2017/18: £174k

Activity	Additional Resources required	Planned Saving (link with Financial Improvement Plan)
EARLY HELP **Strategic Aim:** Reconfigure the approach to Early Help so that there is a clear and understood approach which supports prevention activity. **Operational Objectives** • Reconfigure the "front door" to Early Help and Children's Social Care into a single first point of access. • Re-define the remit of the in house services under Early Help to ensure that they are focussed on priorities and that their remit and criteria is fully understood. • Re-evaluate the approach to supporting partners to fully play their part in the delivery of Early Help. • Review Children's Centre provision, including Health Visitors and School Nurses, to ensure that provision is targeted at and effective for those most in need. • Further develop the Early Help / Community Hub model to support self-help and community resilience as part of a preventative approach. • Further develop processes within social care planning to support an effective Early Help approach. • Align the Troubled Families programme with the revised Early Help strategy to maximise impact on families crossing both cohort boundaries.	A TSCB Task and Finish Group chaired by the Assistant Director: Safeguarding will commence the work to reconfigure the local strategy in December 2016.	There are no direct financial targets attached to this activity but an effective Early Help service will support a reduction in the numbers of children requiring statutory social care intervention. It is not realistic at this stage to model this saving, but as and when demand reduces, such modelling could be done as part of a review of the resource needed to manage lower levels of demand.

Activity	Additional Resources required	Planned Saving (link with Financial Improvement Plan)
COMMISSIONING **Strategic Aim** Support a review of the corporate approach to commissioning to ensure that it is joined up, focussed on priorities and promotes value for money. **Operational Objectives (for Children's Services)** • Engage existing providers in a dialogue around future service provision • Re-procure/model services as necessary	Commissioning is a corporate activity and hence any proposal to review commissioning processes will require the engagement of Council stakeholders outwith Children's Services.	**Careers South West** *Based on a proposed reduction to contract to reflect a pay per activity approach.* 2017/18: £25,000 2018/19: £40,000 2019/20: £10,000 **Review Children's Centre Provision** *Based on a reduction to contract through further emphasis on a targeted approach.* 2017/18: £57,500 2018/19: £69,000 2019/20: £103,000 **Young People's and Young Parents' Supported Accommodation** 2017/18: £75,000 2018/19: £40,000 2019/20: £10,000 **Youth Homelessness** *Based on a proposed reduction to contract* 2017/18: £116k
Activity	**Additional Resources required**	**Planned Saving (link with Financial Improvement Plan)**
SPECIAL EDUCATIONAL NEEDS PROVISION **Strategic Objective** Ensure the Special Educational Needs Offer provides value for money whilst meeting the needs of young people and their families	The Contracting and Placements Team will be undertaking a review of commissioned activity and usage. This will encompass the interface between social care and educational decision making to ensure costs are not merely shunted from social care to the higher needs block (Dedicated	No direct financial targets attached at this stage – this requires scoping out of existing thresholds spend and contractual arrangements.

Operational Objectives • Review criteria for the access to provision to ensure that the needs of the most vulnerable are met whilst achieving value for money. • Review arrangements of the contracting of SEND provision • Review and accelerate the process for the transition from statements to ECH Plans	Schools Grant).	
HOME TO SCHOOL TRANSPORT **Strategic Objective** Develop a formal Home to School Transport Strategy which outlines the approach taken with a focus on how young people will be supported where appropriate to increase their independence. **Operational Objectives** • Develop a formal Independent Travel Training programme • Consider the introduction of a transport buddies programme (utilising existing escorts) as an alternative to taxis. • Undertake a review of routes where the numbers remain low on a particular vehicle to establish if there is further opportunity for route optimisation, underpinned by the use of route optimisation software.	The change process will aim to optimise routes and maximise independent travel by young people. These will be capital costs in the procurement of route optimisation software and changes to capita which are estimated to be in the region of £50k	**Implement Independent Travel Training and Transport Buddies programme for children with disabilities.** *Analysis of the current cohort has identified 25 young people who, with support, and successful training, could travel independently over the next two years. Average saving per child £3,735 minus bus pass of £540 per person* 2017/18: £39k 2018/19: £39k **Develop usage of external escorts to support more independent travel for children with disabilities.** *Based on a 5 hour saving to the Council per week x 38 weeks plus on 20% costs – using living wage £9* 2017/18: £20.520 (10 additional escorts – total 20) 2018/19: £21,520 (10 additional escorts – total 30) **Adopt a route optimisation model to ensure high levels of occupancy and limit the number of routes in use.**

Activity	Additional Resources required	Planned Saving (link with Financial Improvement Plan)
LEAVING CARE SUPPORT: **Strategic Objective** Review the Leaving Care policy to ensure that there is an efficient and cost effective approach taken to the provision of Leaving Care packages. **Operational Objectives** • Map out on an individual basis the young people who are receiving Leaving Care packages, to establish an exact picture of both spend and provision • Undertake a value for money exercise on each case to establish where more cost effective options could be explored.		Exact identification of saving requires coping out pending a review of individual cases. Benchmarking data with statistical neighbours is not yet available. The budget for 2016/17 is correctly projected at an overspend of £197,086 from a budget of £250,000. The proposed savings to bring this budget back into line are therefore scoped below: 2017/18: £67k 2018/19: £80k
Activity	**Additional Resources required**	**Planned Saving (link with Financial Improvement Plan)**
AGENCY STAFFING: **Operational Objective** Reduce the numbers of social care agency staff to bring in line with statistical neighbours.	The DCS and Assistant Director Safeguarding will undertake a fundamental review of social care staffing structure, working closely with finance colleagues. This will seek to reduce agency usage as part of the change process.	The proposal envisages a net reduction in agency staffing of 2017/18: £101k (4 staff) 2018/19: £51k (2 staff) *Based on a further reduction of 6 agency social workers over 2 years, based on the average difference between an agency and permanent social worker being £25,267 per annum*

Activity	Additional Resources required	Planned Saving (link with Financial Improvement Plan)
REDUCTION IN CLA POPULATION AND ASSOCIATED COSTS: **Operational Objective** • Refresh our permanence and sufficiency strategies • Implement robust processes to oversee placement and permanence planning to ensure they are child centred and provides value for money.	The DCS and Assistant Director Safeguarding will be working with Heads of Service to revise our permanence strategy which will be key to bringing the CLA population in line with comparators. A net reduction of between 10 – 15 placements is envisaged for each year commencing 2018/19. In light of the weaknesses in current permanence planning no net reduction is planned for 2017/18. It will also be important to distinguish this Workstream and savings from activity to increase the rate of timeliness of adoptions.	The savings accruing will depend on the child's current placement and route out of care. In some cases such as Special Guardianship there will be continuing costs. Savings for a child leaving foster care for an SGO could be as little as £5k per annum, other routes deliver savings in the range £20k to £40k. The most impacted route of residential to care has not been included as this is likely to be an exceptional occurrence. Reunification may be a route for some older children but this will occur only through the lens of effective permanence planning. Savings based on net reduction of 10/15 per annum would be (£50k/£75k-£400k £600k)
Activity	**Additional Resources required**	**Planned Saving (link with Financial Improvement Plan)**
Strategic Aim To bring staffing and support costs in line with statistical comparators. **Operational Objective** Undertake a comprehensive review and restructure of social care services. Refresh workforce recruitment, development and retention strategy.	The DCS and AD Safeguarding will be working closely with finance and HR colleagues to review existing staffing structures and develop a sustainable staffing base for future provision.	Savings are included for 2017/18 based on the full year impact of the actions taken in August 2016 and non renewal of Business Support posts due to end in year. This will deliver around £389k of savings in 2017/18. Further savings will be identified following the establishment review completed by the DCS and AD.

Appendix 2

Financial Improvement Plan 2017/18 – 2020/21

Opportunity	2017/18	2018/19	2019/20	2020/21	TOTAL
	£	£	£	£	£
Reduce usage of Independent Fostering Agency placements and create more in-house placements	129k	181k	207k		**517k**
Reduction in externally provided residential placement through exploration of wrap around Foster Care placements	253k	506k	506k		**1,265m**
Explore the creation 3 x 2 bed in-house homes			742k		**742k**
Improving percentage of children leaving care as a result of placing within an SGO or connected persons placement	49k	98k			**147k**
Improving percentage of children leaving care as a result of adoption	85k	141k	141k	197k	**564k**
Acceleration of Adoption in order to reduce spend on Placements	173k				**173k**
Commissioning – Careers South West*	25k	40k	10k		**75k**
Commissioning – Children's Centre Provision	57k	69k	103k		**229k**
Commissioning – Young People's / Parents Supported Accmdation	75k	40k	10k		**125k**
Youth Homelessness*	116k				**116k**
Implement Independent Travel Training and Transport Buddies programme for children with disabilities*	39k	39k			**78k**
Develop usage of external escorts to support more independent travel for children with disabilities*	20k	20k			**40k**
Review of Leaving Care packages	67k	80k			**147k**
Managed reduction in use of agency staff*	101k	50k			**151k**
Reduction in CLA population and associated costs		50k-600k	50k-600k	50k-600k	**150k-1.8m**
Staffing and Support Costs*	389k	TBC	TBC	TBC	**389k**
TOTAL	**1.578m**	**1.314m – 1.864m**	**1,769m – 2,319m**	**247k – 797k**	**4.908m – 6.558m**
Budget adjustment of 50% to allow for the gradual in year implementation of savings.	**789k**				

*** = Included within revenue budget 2017/18**