

performance and scrutiny panel
25/10/2004

**Looked after Children –
current Financial position and
action plan**

Current Financial context 0405

Net Overspend against budget of 670K predicted for 0405 – this relates to

- Agency staff social work teams – overspend of £228K
- Placements in residential care and Foster care – overspend of £125K – (budget £15 m)
- Payments under section 23 and section 34 of the Children's act – overspend of 417K
- Family Link workers – underspend of £100k

Critical Unit costs 03/04 – source data pssex1 2003/2004

- Internal residential provision - £2683 per resident week
- External residential provision - £3128 per resident week
- Internal Foster care provision - £310 per resident week
- External Foster care provision - £653 per resident week

National Context – ‘Children now’ 13-19 Oct 2004

- ‘patterns of overspend repeated across the country’
- External placements – high cost
- Increasing complexity of cases – high cost

Current Activity context 0405

- Overall patterns show a reduction in admissions year on year – 45 admissions april to august 04/05 compared to 98 for the same period in 02/03 - see graph 1
- Overall numbers of Looked after children have remained stable from July 03 (469) to Aug 04 (470) – see graph 2
- Of the 470 looked after children in august 04 – 353 are on care orders – see graph 3
- The majority of children are looked after via Local Authority Foster Carers and Agency Foster Carers (176 In house and 92 via agencies) – see graph 4
- The majority of children discharged return home, are adopted or go into independent living arrangements – 148 children discharged during 02/03, 123 children discharged during 03/04 – see graph 5

Strategy for improvement

LAC cost reduction plan

- Aim to reduce numbers of Looked After Children, Reduce Unit Costs, Improve efficiency by using lower cost services. Overall aim to reduce costs during 2004/2005 and 2005/2006

How will this be achieved

- Identify SSDs who have reduced LAC populations.
- Identify best practice for joint funding models.
- Review and revise placement mix targets
- Identify named children to transfer from high cost to lower cost placements
- Investigate cause of high cost external residential care
- Recruit and retain additional LAC foster carers – 15
- Increase number of adopters recruited by 20 by 31 Mar 05
- Reprovide contact service – make or buy ?
- Increase In House Residential provision by 2 beds
- Reduce use of agency social work staff