

ALDCS / SLT children's social care survey findings

September 2017

Context

- A detailed survey on children's social care spend was circulated to boroughs through ALDCS, SLT and children's finance leads networks in June – aiming to gather a stronger evidence base to show pan-London trends and variation between boroughs.
- Responses have now been received from 31 boroughs. The survey is divided into five main sections:
 - High needs
 - Budget v outturn data for children's social care
 - Children's social care activity data
 - Looked after children (LAC) benchmarking
 - Free text questions

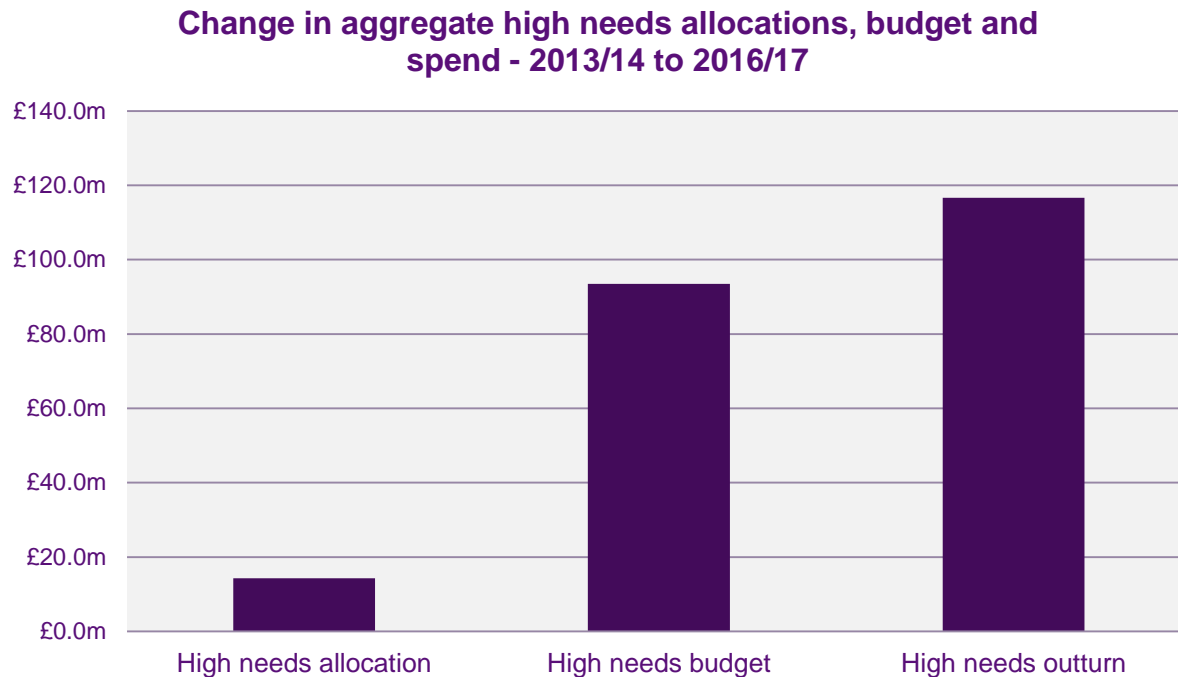
Top priorities

In an open-ended question, boroughs were asked to list their top three priorities in terms of financial pressures on children's services. Out of 25 responses:

- **18 boroughs referred to the cost of looked after children placements.** Specific issues included the high cost of residential and secure remand placements, lack of cheaper in-house foster provision, and challenges in the external fostering market. Several boroughs also referred to the increasing complexity of cases.
- **12 boroughs referred to staffing costs**, including the cost of agency staff (7) and recruitment and retention (5). One borough estimated that reliance on agency social workers added a £2m cost pressure.
- **9 boroughs referred to care leavers**, including Staying Put arrangements and former UASCs
- **6 boroughs referred to high needs / SEN**, including increasing demand, complexity, and related SEN transport costs
- Other priorities raised include No Recourse to Public Funds (NRPF), Special Guardianship Orders (SGOs), section 17 costs, the increasing volume of safeguarding referrals, legislative and court decisions, and cuts to the Education Services Grant (ESG)

1. HIGH NEEDS

High needs block – trend since 2013/14



- Across 24 boroughs providing complete high needs time series data since 2013/14, allocations increased by £14.3m (2%), budgets increased by £93.5m (13%) and actual spend increased by £116.6m (16%)
- Across the same 24 boroughs, the number of pupils with EHC plans increased by 10 per cent over the relevant time period (Jan 2014 to Jan 2017)

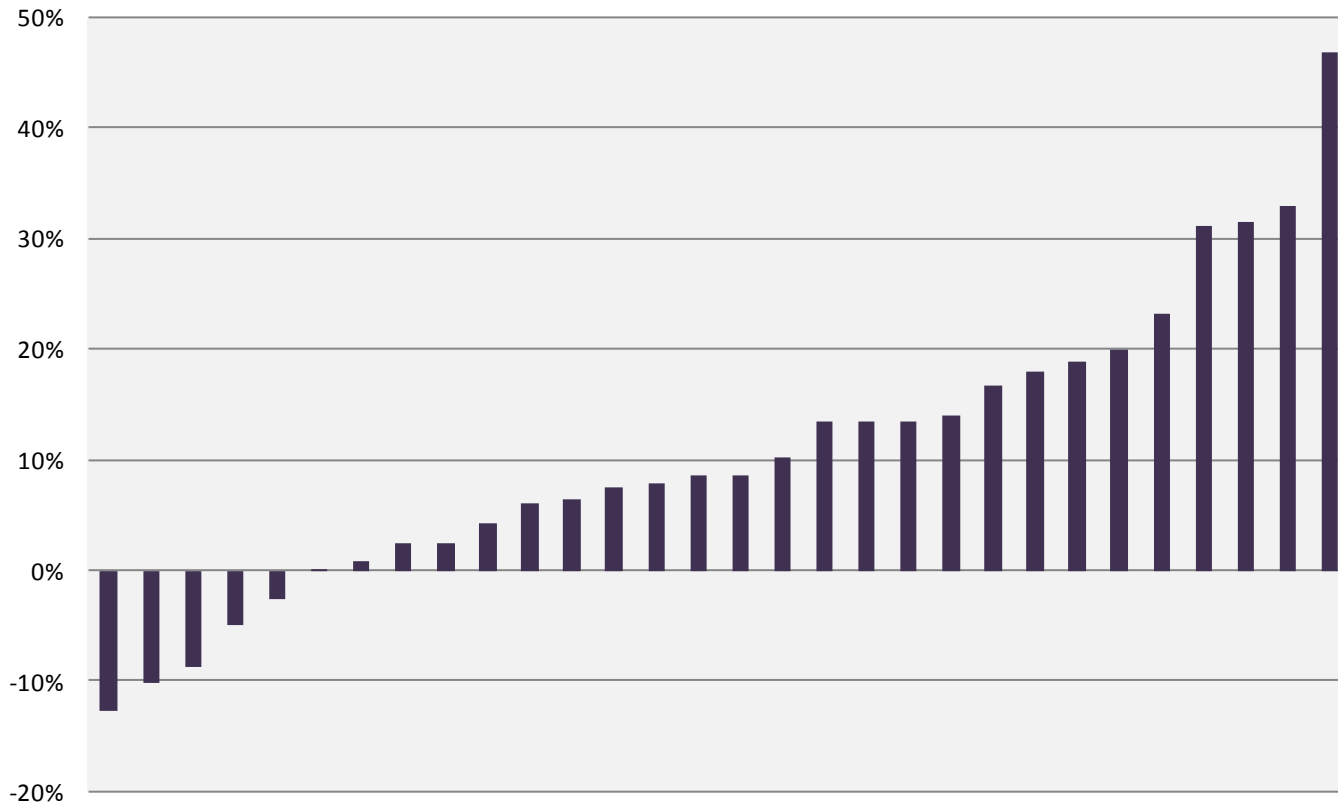
High needs block – 2016/17 outturn v allocation

	Number of boroughs without shortfall	Number of boroughs with shortfall	Shortfall boroughs only		
			Aggregate budget	Aggregate shortfall	Aggregate shortfall (%)
Inner London	2	10	£302.2m	£22.6m	7.5%
Outer London	3	16	£474.6m	£77.8m	16.4%
London	5	26	£776.8m	£100.4m	12.9%

- In 2016/17, the amount spent on high needs was greater than the amount allocated through the high needs block of the Dedicated Schools Grant (DSG) in **26 out of 31 boroughs**
- The aggregate ‘funding gap’ across these 23 boroughs was **£100 million** – equivalent to **12.9 per cent** of aggregate high needs allocations or **£3.9 million** per borough
- 5 boroughs spent less on high needs than allocated through the high needs block of DSG – likely to be due to transfers within DSG to meet pressure in other blocks

High needs block – 2016/17 outturn v 2016/17 allocation by borough

High needs outturn v high needs allocation



High needs block – how the shortfall is met

1.3 How is any shortfall between high needs allocations and high needs spend met?

	Number of boroughs	Total
DSG transfer	17	£45.6m
Use of reserves	11	£19.9m
General funds	2	£4.7m
Other - DSG carry forward	2	£10.9m
Other - no comment	5	£19.1m

- The £100 million ‘funding gap’ across 26 boroughs has most commonly been met through transfers of funding from other blocks of the Dedicated Schools Grant (£45.6m).
- A minority of boroughs used reserves (£19.9m), DSG carry-forward (£10.9m) or general funds (£4.7m).
- Several boroughs used a combination of the above methods (e.g 5 boroughs combined a transfer within DSG with the use of reserves)

High needs block – overspends / underspends (2016/17)

	Number of boroughs underspending	Number of boroughs overspending	Overspending boroughs only		
			Aggregate budget	Aggregate overspend	Aggregate overspend (%)
Inner London	3	9	£269.7m	£14.6m	5.4%
Outer London	8	11	£369.3m	£26.9m	7.3%
London	11	20	£639.0m	£41.5m	6.5%

- Comparing outturn figures against budgets for 2016/17, 20 boroughs overspent on high needs and 11 boroughs underspent in 2016/17.
- A higher proportion of inner London boroughs overspent on high needs budget – but the aggregate overspend was greater in outer London (7.3 per cent of budget compared to 5.4 per cent in inner London)

SEN transport

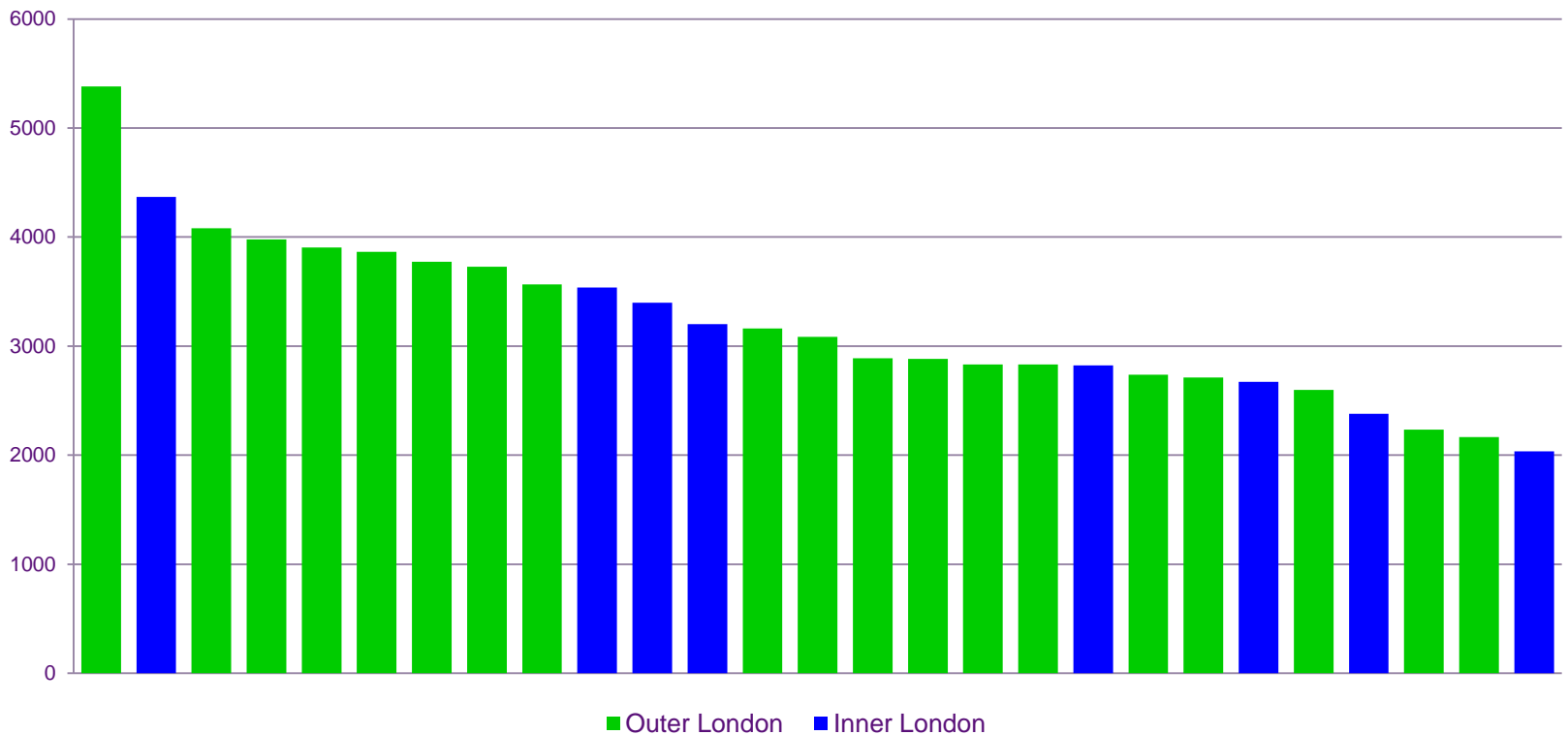
	Number of boroughs underspending or equal to budget	Number of boroughs overspending	Overspending boroughs only			
			Aggregate budget	Aggregate overspend	Aggregate overspend (%)	Unweighted average
Inner London	1	10	£28.4m	£9.5m	33.4%	£0.9m
Outer London	3	16	£56.0m	£15.3m	27.3%	£1.0m
London	4	26	£84.4m	£24.8m	29.3%	£1.0m

- **26 out of 30 boroughs** experienced overspends to SEN transport budgets in 2016/17, averaging £1m per borough.
- Against aggregate budgets of **£84.4 million**, this equates to an aggregate **29 per cent overspend**, or **£1 million per borough**
- Despite a substantially smaller budget, the average £1.0 million overspend on SEN transport compares to £3.5 million for the entire children’s social care budget
- Across 20 boroughs providing full data over time, spend on SEN transport increased by **20 per cent** between 2013/14 and 2016/17

SEN transport – per capita

- Dividing spend on SEN transport by the number of pupils against EHC plans highlights the variation in spend across London. Average spend per EHC plan in inner London (£3,070) is slightly lower than outer London (£3,269)

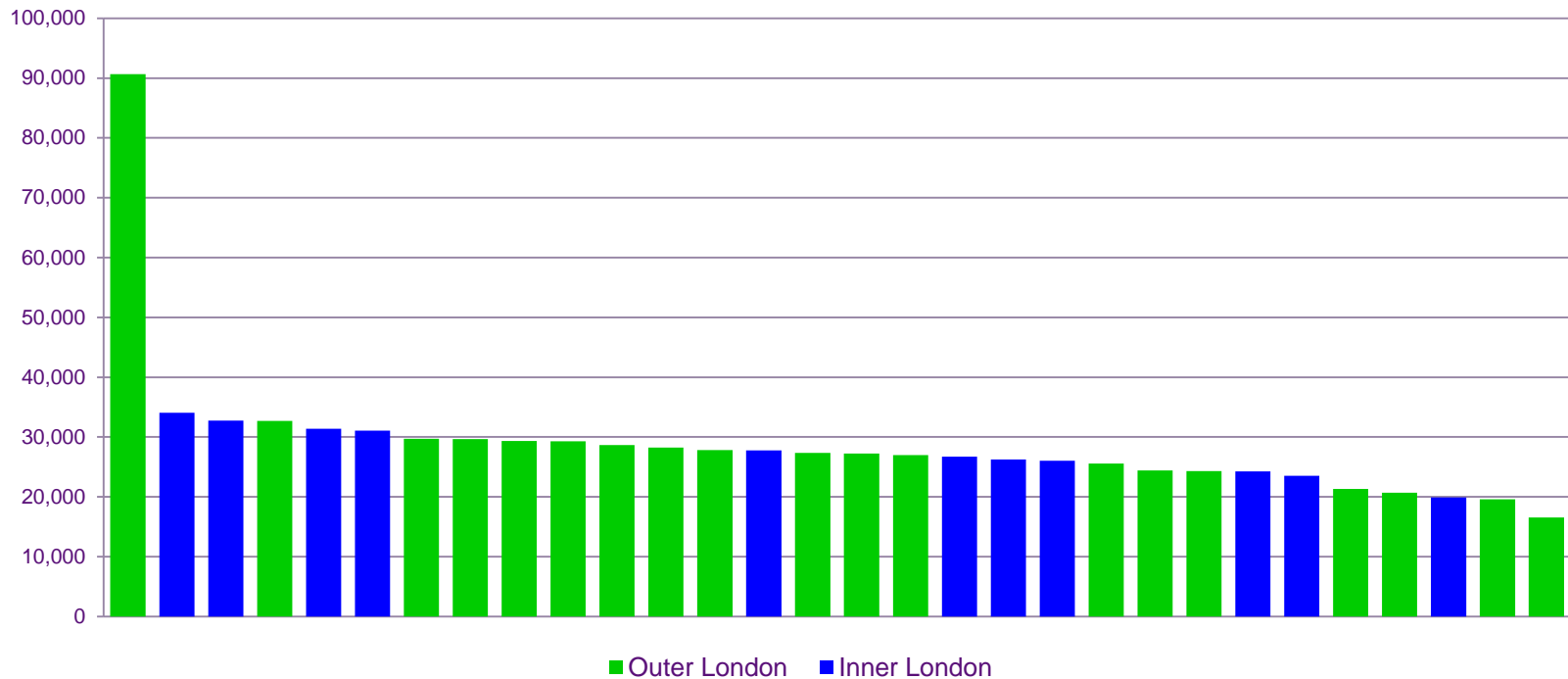
£ SEN transport spend / number of EHC plans (2016/17)



High needs spend – per capita

- In 21 out of 28 boroughs, high needs spend was equivalent to between £20,000 and £30,000 per EHC plan

High needs spend (£) per number of EHC plans (2016/17)

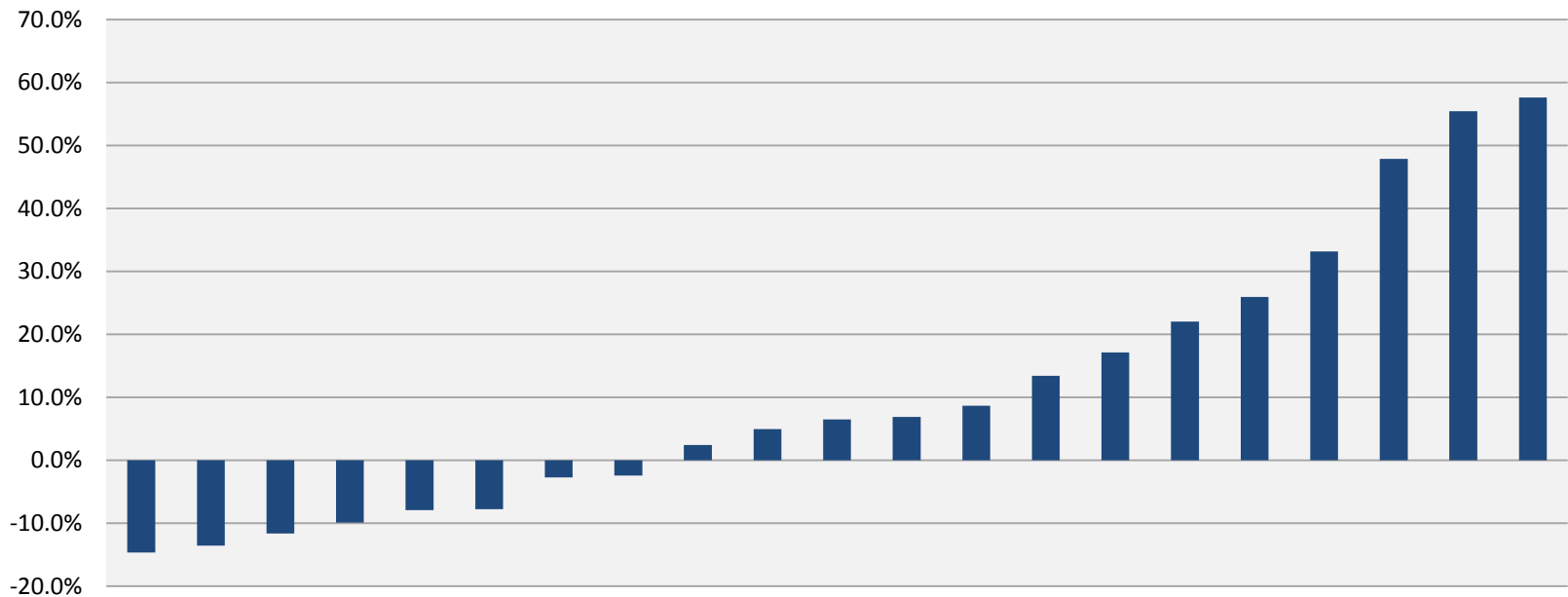


2. CHILDREN'S SOCIAL CARE

Children's social care – trend data

- Patterns of overall children's social care spend vary significantly between boroughs over the past four years: spend increased in 13 boroughs and decreased in 8 boroughs

Change in total children's social care spend (2013/14 to 2016/17) - by individual borough



Children’s social care – overspends / underspends

	Number of boroughs underspending	Number of boroughs overspending	Overspending boroughs only		
			Aggregate budget	Aggregate overspend	Aggregate overspend (%)
Inner London	2	9	£377.4m	£33.6m	8.9%
Outer London	1	18	£598.5m	£60.5m	10.1%
London	3	27	£975.8m	£94.1m	9.6%

- Overspends are widespread in children’s social care: in 2016/17, **27 out of 30 boroughs** overspent on children’s social care budgets – equating to **£3.5m per borough** or **9.6 per cent** of aggregate budgets
- Overspends as a proportion of budgets are slightly higher in outer London (10.1% compared to 8.9% in inner London)

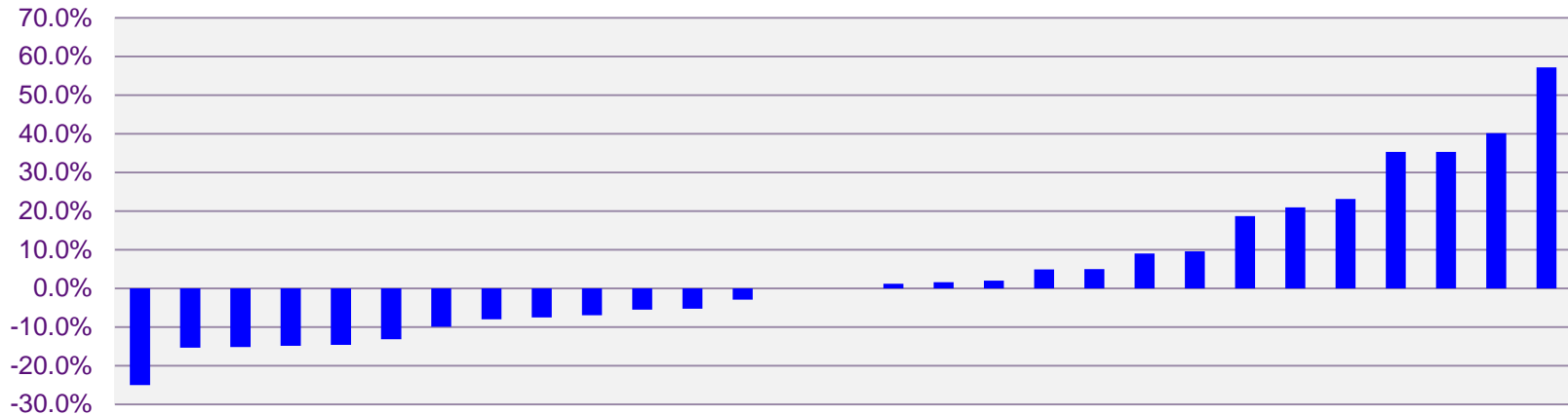
Children's social care – overall budgets

	Children's social care overspends (out of 23 boroughs)			
	2013/14	2014/15	2015/16	2016/17
Number of boroughs overspending	16	20	21	22
Aggregate overspend	£43.2m	£57.7m	£48.5m	£72.1m
Average per borough	£2.7m	£2.9m	£2.3m	£3.3m

- Amongst the 23 boroughs providing full data over the past four years, the number of boroughs experiencing overspends increased from 16 to 22 between 2013/14 and 2016/17
- Many (but not all) boroughs experienced a large increase in overspends in 2016/17, driving an increase in the average overspend from £2.3m in 2015/16 to £3.3 million in 2016/17

Children’s social care – activity data

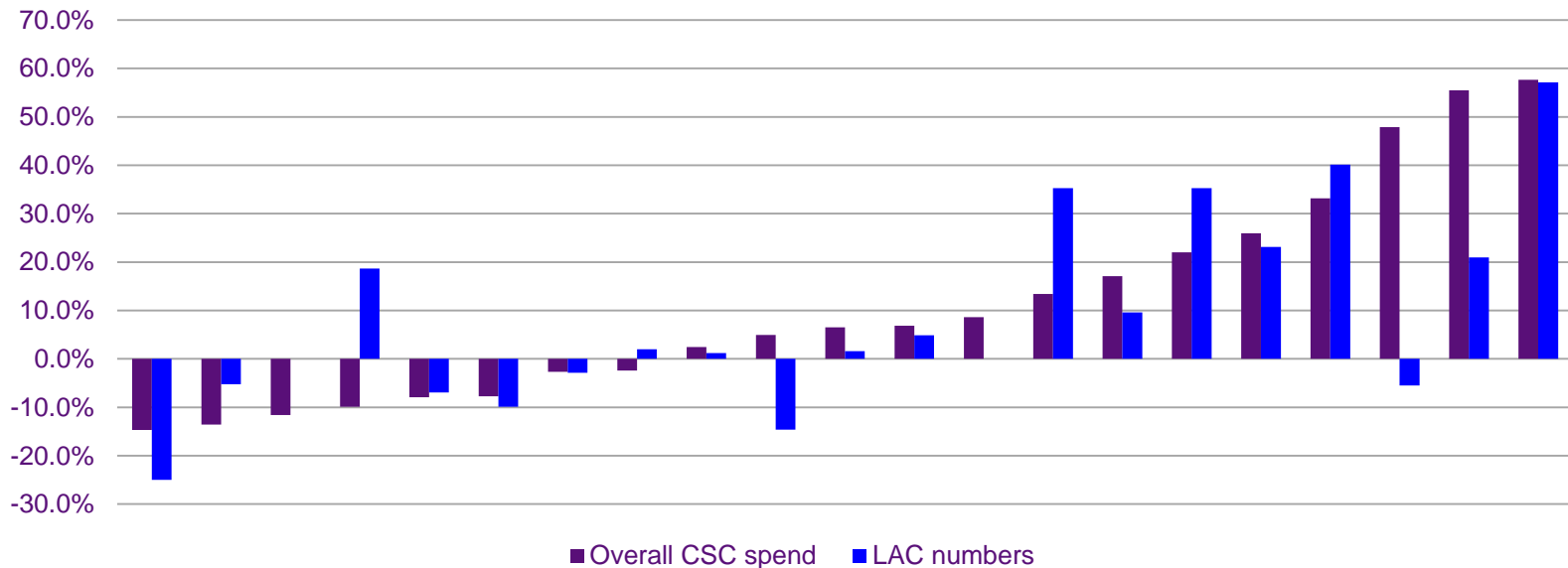
Change in LAC (start of year): 2013/14 to 2016/17



- Across 29 boroughs providing data, the number of LAC (start of year) fell from 9,017 in 2013/14 to 8,878 in 2016/17.
- This masks significant variation between boroughs – 14 boroughs experienced an increase in LAC numbers, 13 boroughs experienced a decrease and 2 boroughs experienced no change

Children's social care – activity data

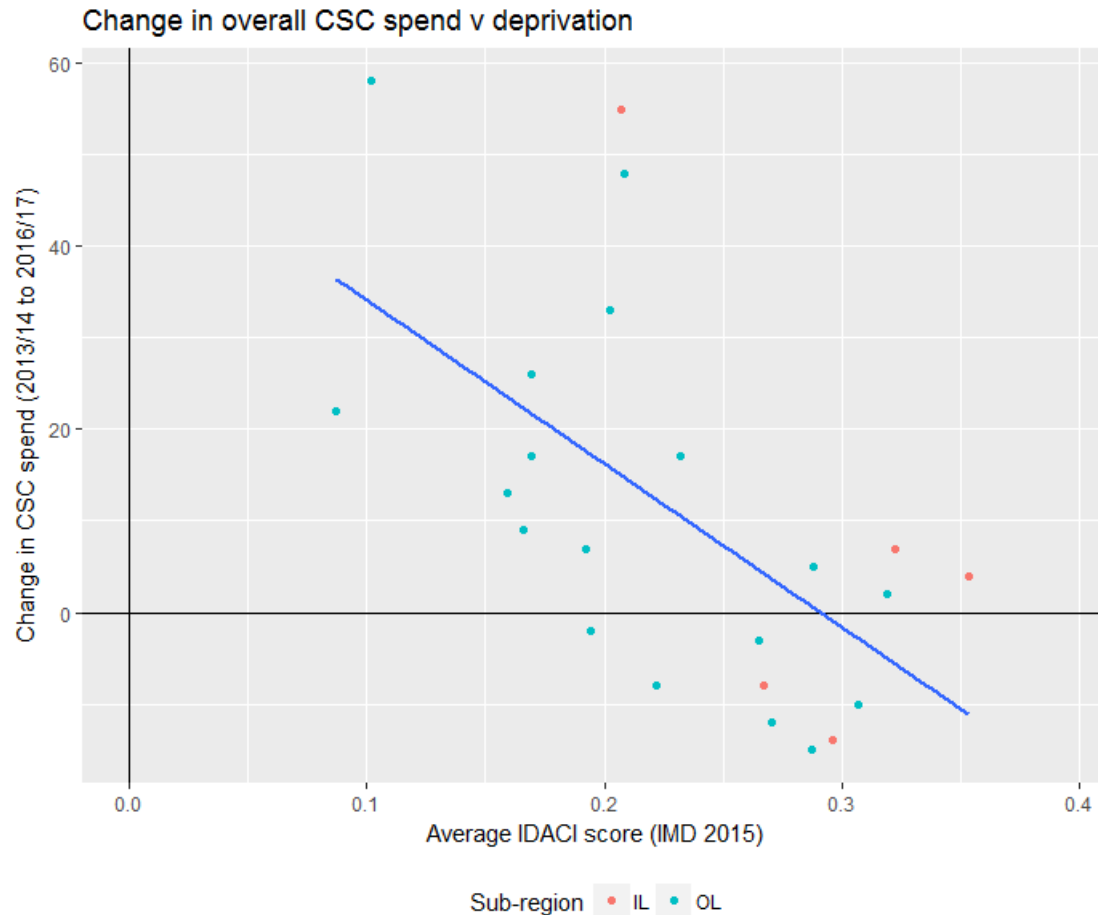
Change in children's social care spend (2013/14 to 2016/17) - by individual borough



- The variation in LAC numbers appears to fit reasonably well with the trend in overall children's social care spend for many, but not all, boroughs. The graph above shows the % change in LAC numbers compared to overall children's social care spend for each borough

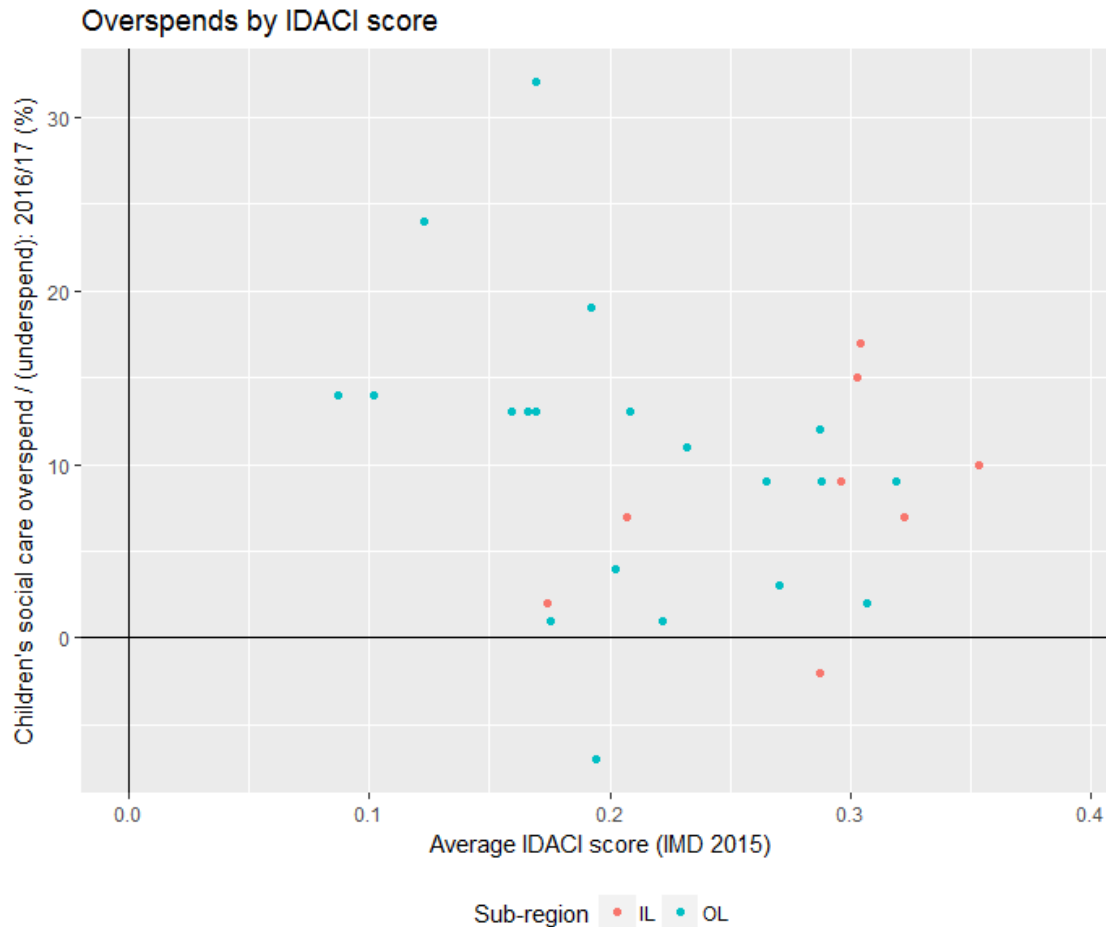
Children’s social care spend and deprivation

Spend is more likely to have fallen in boroughs with higher deprivation – there is a statistically significant correlation between change in children’s social care spend since 2013/14 and IDACI scores...



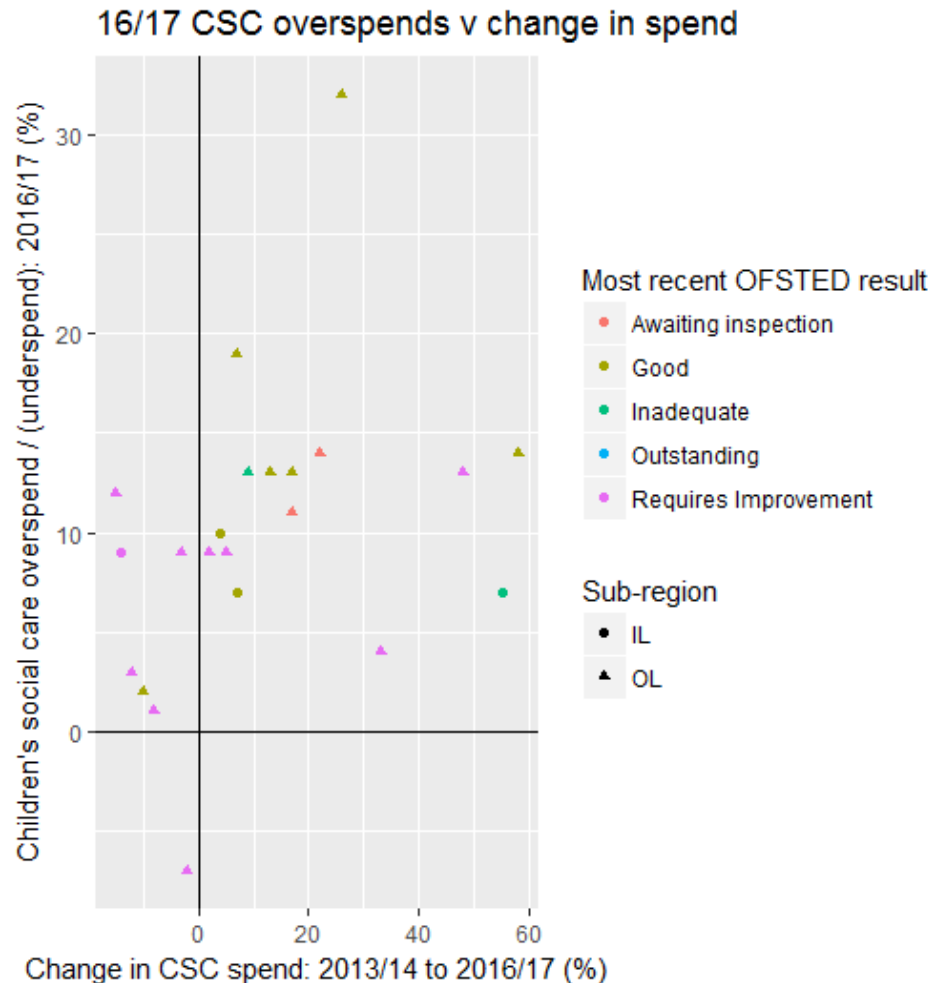
Children's social care and deprivation

...but data does not show a clear relationship between the size of overspends and levels of deprivation

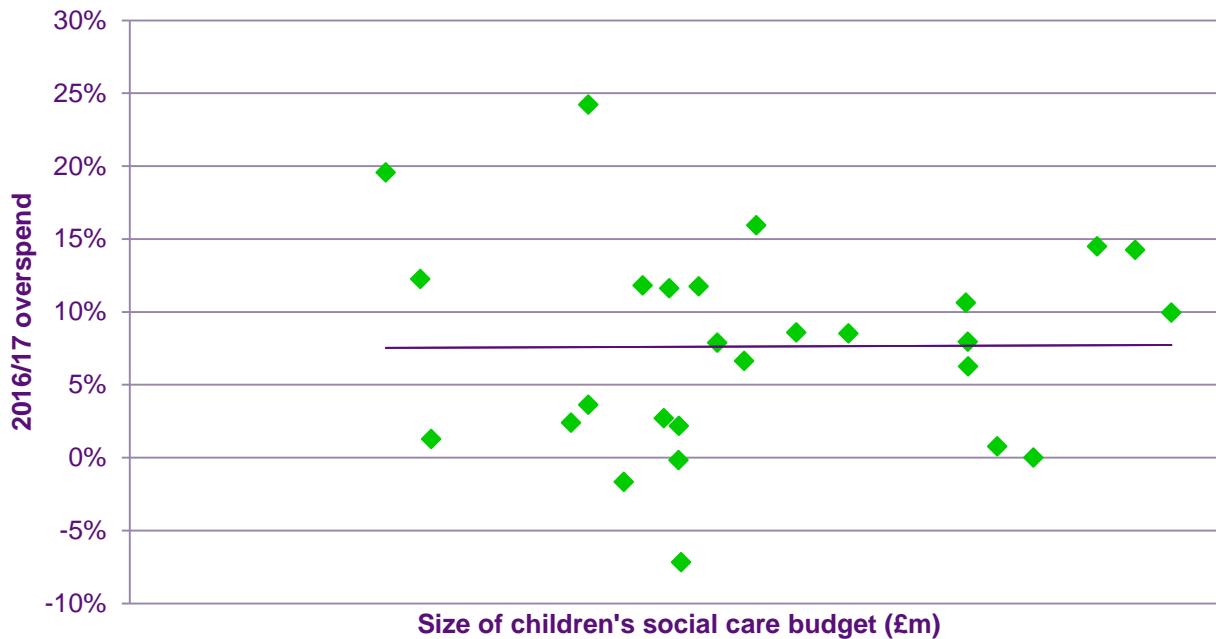


Children's social care spend and OFSTED rating

6 out of 7 boroughs with **falling spend** between 13/14 and 16/17 are rated as 'requires improvement' – but no clear relationship between OFSTED performance and level of **overspends**



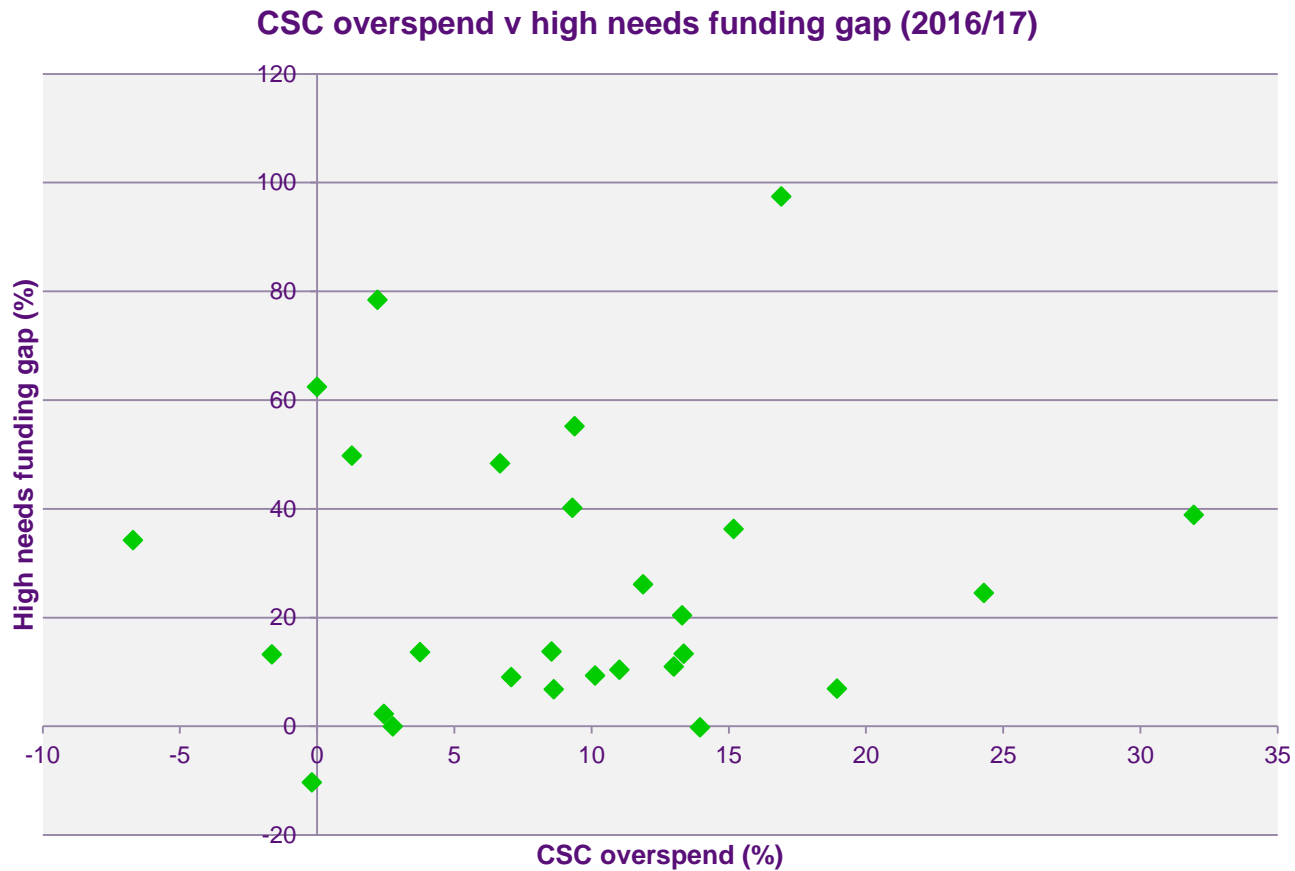
Children's social care – size of budget



- No clear relationship between size of children's social care budget and scale of overspend / underspend in 2016/17

Children's social care and high needs

- 22 out of 27 boroughs are overspending on children's social care and experiencing a shortfall in high needs funding



3. CHILDREN'S SOCIAL CARE – DETAILED SPEND LINES

Children's social care – detailed spend lines

95 per cent of the aggregate 2016/17 overspend was driven by placements and core staffing (£68.6m out of £72.5m), despite these two spend lines making up **71 per cent** of budgets

Children's social care overspend breakdown 2016/17 (data from 27 boroughs)

Spend line	Aggregate overspend (2016/17)
Total overspend / (underspend) (£)	£72.6m
Placements	£39.0m
Core staffing	£29.6m
Section 17	£4.1m
Independent review officers	£1.6m
CAMHS - general fund	£0.5m
Legal	£3.5m
Universal and targeted services	-£5.7m
Family Support	£2.1m
Strategy	-£1.2m
Other	-£0.5m

Children’s social care – detailed spend lines

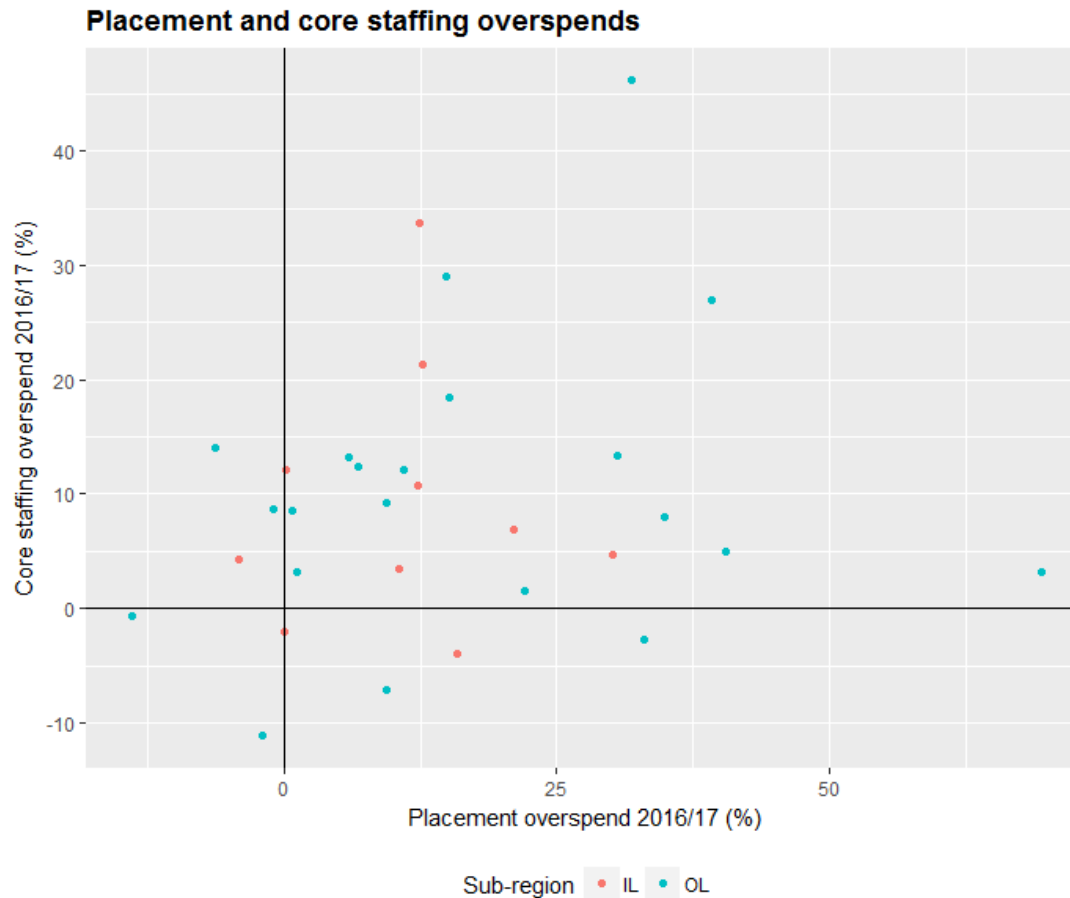
Disproportionate overspends on placements, core staffing and section 17 payments are offset by underspends in universal & targeted services and strategy:

% of 2016/17 aggregate budget v % of 2016/17 aggregate overspend

	% of 2016/17 aggregate budget	% of 2016/17 aggregate overspend
Placements	38%	53%
Core staffing	33%	41%
Section 17	1%	6%
Independent review officers	1%	2%
CAMHS - general fund	1%	1%
Legal	2%	5%
Universal and targeted servies	5%	-8%
Family Support	6%	3%
Strategy	2%	-2%
Other	11%	-1%

Children's social care – placements and core staffing

22 out of 30 boroughs are overspending on both placements and core staffing budgets within children's social care



Children’s social care – Section 17

- Section 17 budgets enable local authorities to provide assistance in kind to children in need as part of their safeguarding duties
- Outside of placements and core staffing, section 17 budgets are experiencing the most disproportionate overspends – accounting for 1 per cent of budgets but 6 per cent of overspends
- Spend on s.17 has increased by 33 per cent over the past four years (see table below)

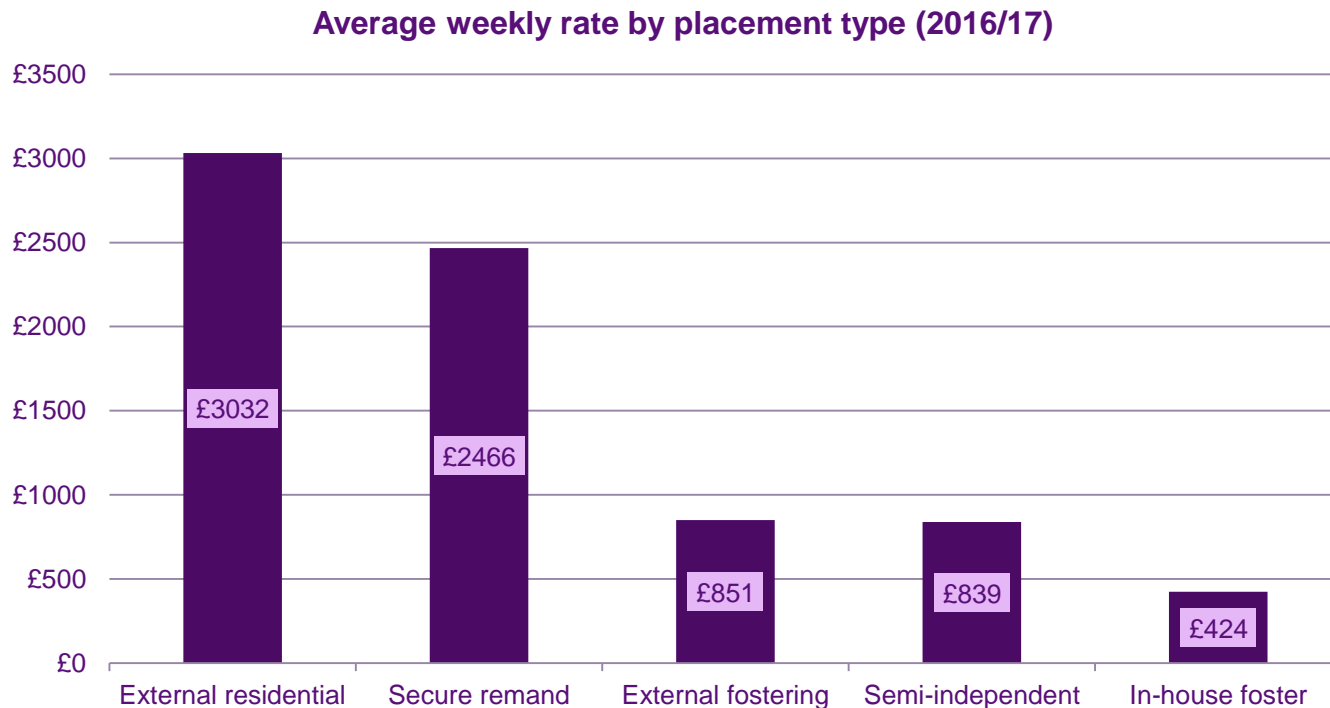
	Section 17 – data from 20 boroughs				Change (13/14 to 16/17)
	2013/14	2014/15	2015/16	2016/17	
Aggregate budget	£8,466,747	£9,544,544	£11,101,461	£10,179,297	20%
Aggregate spend	£11,743,881	£13,861,949	£15,707,084	£15,565,955	33%

Number of boroughs overspending	13	14	17	15
Aggregate overspend	£3,733,815	£4,640,019	£4,835,910	£5,825,021
Overspend per borough	£287,217	£331,430	£284,465	£388,335
Aggregate overspend as % of budget	44%	49%	44%	57%

4. LOOKED AFTER CHILDREN (LAC) BENCHMARKING

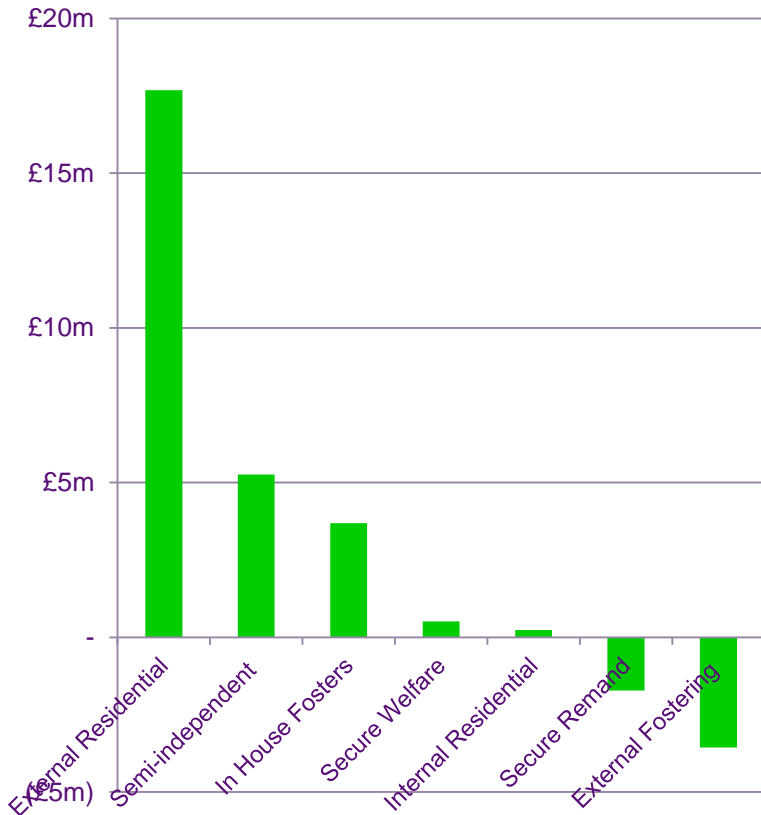
Children’s social care – looked after children (LAC) weekly rates

- Detailed data was collected on the weekly rates paid for different types of LAC placement. The graph below shows the unweighted average weekly rates of all boroughs providing data for each placement type:



Children’s social care – spend by placement type

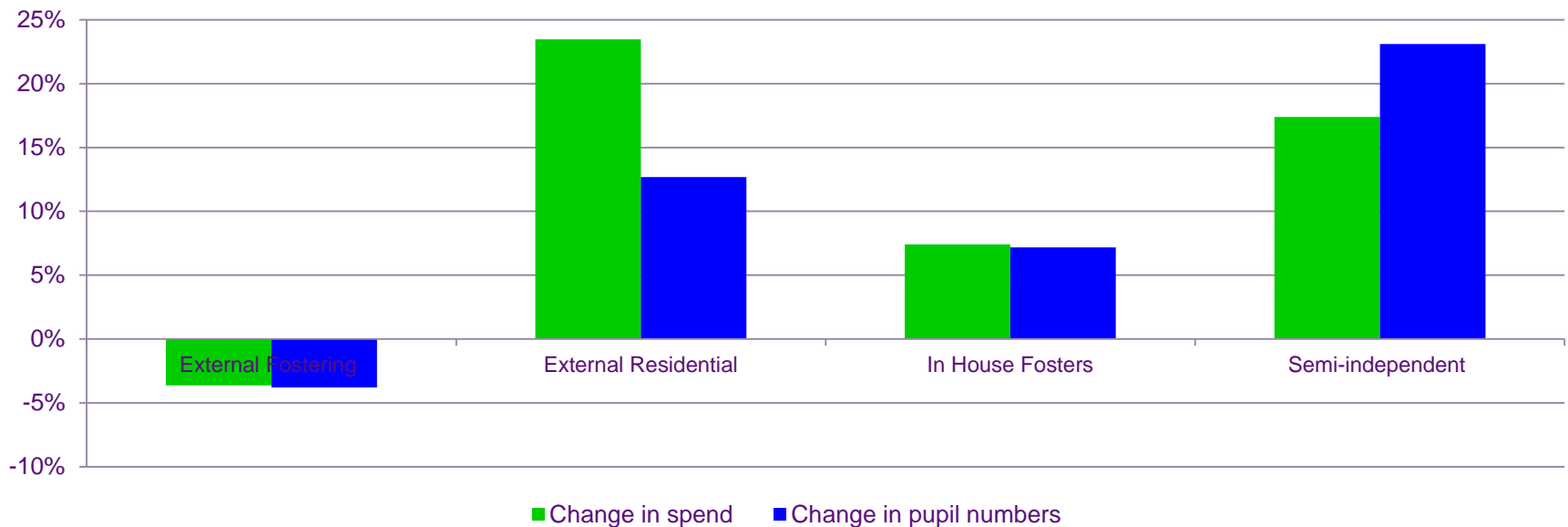
Change in aggregate spend by placement type (2013/14 to 2016/17)



- 25 boroughs provided detailed data on spend by different type of LAC placement since 2013/14, showing that **external residential** experienced the most significant growth in spend
- In 2016/17, **25 out of 27 boroughs** overspent on external residential budgets

Children’s social care – spend by placement type

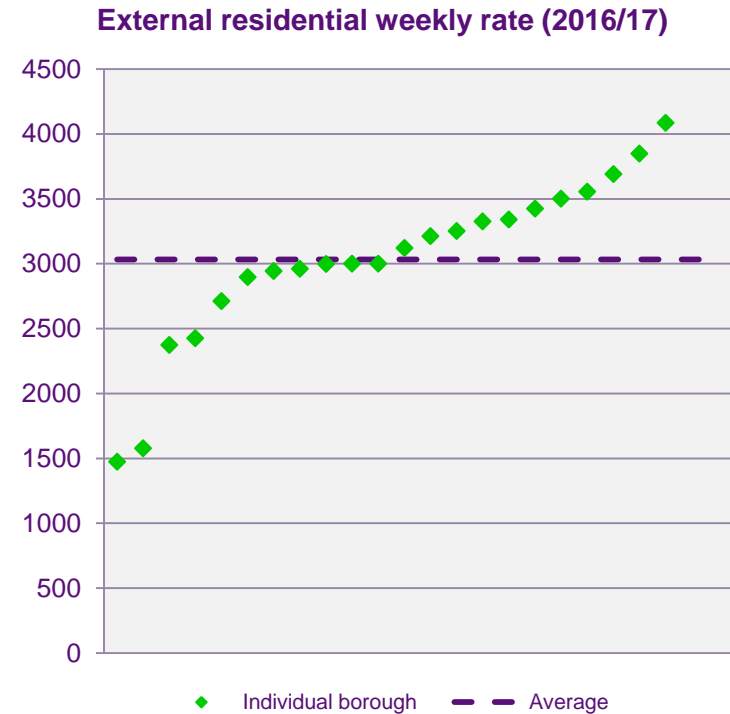
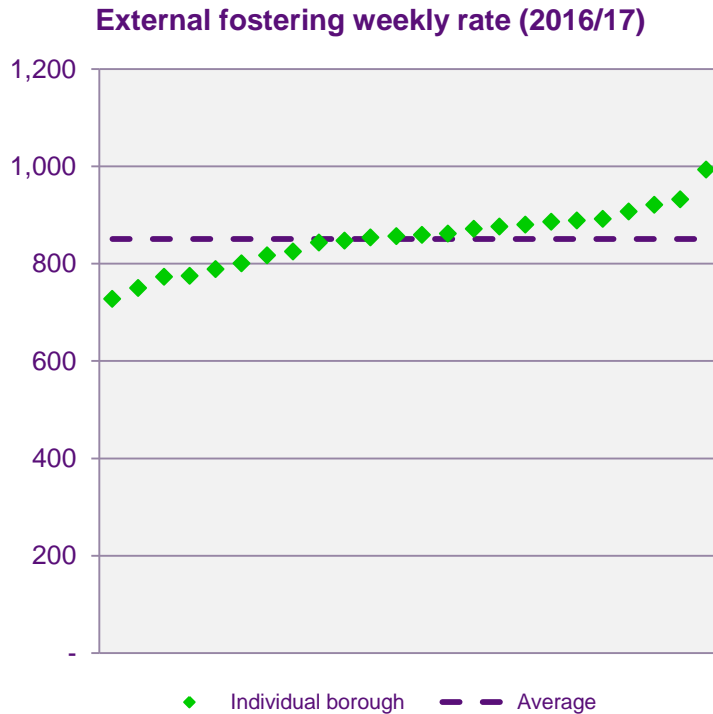
Change in aggregate spend by placement type



- Across the four main placement types, external residential is the only area where the change in spend significantly outstripped the change in pupil numbers. The number of LAC placed in external residential placements increased by 13 per cent between 2014/15 and 2016/17 – but over the same period, spend grew from £75.3m to £93.0m (23 per cent)

Children’s social care – looked after children (LAC) weekly rates

- The extent to which weekly rates vary between boroughs depend on the placement type. For example, there is much less convergence for external residential than external fostering:



Unaccompanied asylum seeking children (UASCs)

- Across 22 boroughs providing a response, spend on UASCs increased by **33 per cent** between 2014/15 and 2016/17. Spend is strongly focused in a small number of boroughs.
- Detailed data was also provided on placement costs for UASCs.
- The table below shows the (unweighted) average weekly rates across boroughs responding by each of the main placement types:

UASC placement cost data (2016/17)

	Average weekly rate	Number of boroughs	Average number of children	Number of UASCs (%)	Implied daily rate
External fostering	£776	18	395	34%	£111
External residential	£2,587	6	23	2%	£370
In-house foster	£436	19	375	32%	£62
Semi-independent	£522	19	371	32%	£75