

# Report

Report to:	<b>Social Work Resources Committee</b>
Date of Meeting:	<b>6 March 2024</b>
Report by:	<b>Director, Health and Social Care Chief Executive</b>

Subject:	<b>Sustaining Social Work Children and Families Services: Budget Recovery Actions</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ provide the Committee with an update of actions to address a projected £10.6m cost pressure for Social Work Children and Families Services for 2024/2025 and beyond
- ◆ present the Sustainability and Value Option Appraisal Screening Scale to support option development and decision-making so as to protect the provision of statutory duties that support the most vulnerable
- ◆ describe the commissioning of a new Intensive Family Support Service to reduce numbers of children currently in high-cost residential placements and reduce the reliance on future residential placements
- ◆ highlight reviews of policies, procedures, services, contracts and use of estate

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s): -

- (1) that the contents of the report be noted;
- (2) that the Sustainability and Value Option Appraisal Screening Scale, as described in section 4, be endorsed to support option development and decision-making so as to protect the provision of statutory duties that support the most vulnerable;
- (3) that the commissioning of an Intensive Family Support Service be noted; and
- (4) that the review of the policies, procedures, services, contracts and use of estate be noted.

## 3. Background

3.1. In its October 2023 overview report on Local Government in Scotland, Audit Scotland highlighted that increasing cost pressures jeopardise the sustainability of local services, stating that:-

*The scale of the challenge that lies ahead is greater than anything local government leaders (elected members and senior officers) will have ever experienced. Councils must work on three planning horizons: continue to deliver services here and now, identify and make improvements in the short term and plan for the longer-term radical change. This is an incredibly hard thing to do with an exhausted workforce*

*but with councils' future funding position forecast to reduce in real terms, radical change is necessary so that councils can continue to serve their communities, respond to needs, meet demand and improve outcomes for people in the future.*

- 3.2. Social Work Children and Families Services promote the welfare and development of children, young people, and families to support them, wherever possible, to remain together within their own communities. Critically, it discharges key duties on behalf of the Council – and with key partners – to protect children.
- 3.3. South Lanarkshire's Chief Social Work Officer Annual Report 2022-2023 highlighted that delivery of Social Work Children and Families Services has resulted in an overspend on budgets. The statutory duties of continuing care, introduced by Children and Young People (Scotland) Act 2014, extended the duty on local authorities to continue to provide options for young people to remain within their foster, kinship, or residential care placement up to the age of 21 years (previously 18 years). There has also been a continued increase in the requirement for children's residential school and external placements; and increasing difficulty in meeting the rising cost of these services within existing resources. The Chief Social Work Officer Annual Report has underlined that the Resource has continued to reinforce capacity across all social work services to ensure it meets statutory requirements, increased demand, and complexity of service users (and as the Committee has been appraised on).
- 3.4. The Committee has been regularly updated on the impact of that increasing demand and cost pressures has had on the Children and Families revenue budget and noted the consequent overspend that has had to be managed non-recurrently for a number of years. In budget year 2023/2024, an additional £9.2m was allocated to the actual budget of £39.7m because of a funding gap to meet demand. This one-off non-recurring funding solution was noted by the Committee on 28 June 2023.
- 3.5. Appendix 1 provides a breakdown of actual budget against projected pressures based on the allocation of 2023/2024. These pressures are projected to continue for 2024/2025 with a projected budget shortfall of £10.6m.
- 3.6. As Committee has previously been advised, officers have been working towards managing the overall budget pressure in Children and Families into 2024/2025. Work was undertaken with the Improvement Service to compare local trends and benchmark performance particularly in relation to numbers of looked after children and associated budget pressures.
- 3.7. At its November 2023 meeting, the Council's Executive Committee was presented with a report titled 2024/2025 Revenue Budget Update and Savings Proposals which illustrated that over the next four years the savings that the Council requires are estimated at approximately £96 million. Within this context, it is clear that there is a need to increase the pace and the scale of budget recovery actions so as to protect the provision of statutory duties that support the most vulnerable; and provide as much clarity as is possible for service users and staff in what are challenging and uncertain times.

3.8. This is then the first of a series of dedicated reports to the Committee identifying areas of action to address the budget gap recurrently going forward. These reports will identify, describe and propose areas for development and options for reducing expenditure over a three year timeframe to address the projected annual £10.6m budget shortfall so that the Resource can operate within its allocated budget.

**4. Ensuring Resources are focused on Statutory Duties**

4.1. At its March 2023 meeting, the South Lanarkshire Integration Joint Board (IJB) endorsed the development and implementation of the Sustainability and Value Option Appraisal Screening Scale designed to ensure that options to address the budget gap for adult and older people’s social care (as well as health care) are appraised, prioritised and then presented for consideration in a manner consistent with statutory obligations and professional requirements. The development and use of this Option Appraisal Screening Scale has been noted by Audit Scotland, and so it is proposed that a variation of this is now adopted to support the identification of actions to enable Social Work Children and Families Services to be sustained within the allocated budget (Appendix 2).

4.2. The Sustainability and Value Option Appraisal approach adopted is summarised as follows:

Ref	Screening Scale	Index
1	Benchmarking and Efficiencies	
2	Service Redesign or Reduction with no/limited impact on outcomes	
3	Service Redesign or Reduction with impact on outcomes	
4	Legislative and Registration Requirements	
5	Public Protection	

4.3. In this context, the Sustainability and Value Option Appraisal Screening Scale is a structured tool to distinguish non-statutory activities from the Council’s statutory responsibility to deliver its duties to meeting the needs of vulnerable children with regards to the following legislation:

- Social Work (Scotland) Act 1968
- The Children (Scotland) Act 1995
- The Children and Young People (Scotland) Act 2014

4.4. These statutory duties include:-

- fulfilling the responsibilities as a corporate parent
- assessing the needs of children and young people
- assessing risk and need in relation to child protection responsibilities
- care planning, managing risk and effective intervention
- safeguarding and promoting the welfare of children in their area who are in need
- promoting the upbringing of children by their families
- providing after care, continuing care for care experienced children
- providing support to parents and carers of children at risk of becoming looked after

- 4.5. Such duties as above are delivered under national regulation and guidance; and also subject to legal scrutiny through the children's hearing and court processes as well as external scrutiny from the Care Inspectorate. The use of the Sustainability and Values Options Appraisal Screening Scale will also then assist the Committee in ensuring that the prioritisation of resources and models of service delivery in the face of significant demand and cost pressures reinforce the Council's statutory duties.
- 4.6. The aim of the Sustainability and Values Options Appraisal approach is to protect those activities that belong within the "red" zones by firstly securing the optimum value of budget and expenditure reductions within the benchmarking and efficiencies "green" zone and also the service redesign or reduction with no/limited impact on outcomes "yellow" zone; and then considering budget and expenditure reductions within the service redesign or reduction with impact on outcomes "amber" zone.

## **5. Budget Recovery – Actions To-date**

- 5.1. It should be noted that there has been considerable ongoing budget recovery activity, notably:-
- Housing and Social Work Tenancy Prioritisation (Green) - collaborative process to identify housing for those young people who are waiting to move out of residential accommodation
  - a review of existing external placements to identify those that could be ended with the young person being brought back to a South Lanarkshire Council children's home into vacancies created by young people in the children's homes moving to their own tenancy (as per bullet one above) (Green)
  - a due diligence review of all spend lines within Social Work Children and Families to identify any opportunities to reduce discretionary spend (Green)
- 5.2. As an interim solution it should be noted that the proposed Revenue Budget for 2024/2025 includes a Budget for Social Work Resources. This includes budget for the delegated services of the IJB (Adult and Older People Social Work), as well as non-delegated services such as Social Work Children and Families. Members have previously been advised that the recent actuarial valuation of Strathclyde Pension Fund has meant that the level of Employer Pension Contributions will be reduced into 2024/2025. As is the case for the Council, this means that the IJB will not incur the same level of costs in 2024/2025. The total Social Work Resources Budget for 2024/2025 will remain the same, but funds released as a result of the reduced pension contributions for the IJB in 2024/2025 (£7.7 million) can be used to contribute towards continued pressures in Social Work Children and Families. This adjustment will be made between the delegated IJB budget (Adult and Older People Social Work) and the Social Work Children and Families budget in 2024/2025 and 2025/2026.

## **6. Budget Recovery – Next Steps**

- 6.1. In addition to continuing the actions referred to in 5.1 above, Social Work Resources and Finance and Corporate Resources have been working closely to identify next step options to further support bringing spend in line with the budget:-
- commissioning of a new Intensive Family Support Service to address high-cost residential placements and reduce reliance on future placements (Green)
  - review and update of policies and procedures (Green)
  - undertake Service Reviews (Yellow/Amber)
  - review and Update Contracts (Yellow)
  - review of Use of Estate (Green)

6.2. A summary of the areas identified above is provided below, noting that further areas for action will be presented to future meetings of the Committee as per 3.8.

6.3. Commissioning of a new Intensive Family Support Service (IFSS) (Green)

6.3.1. The benchmarking work undertaken with the Improvement Service (3.6) considered other areas that have seen positive outcomes for children and young people as a result of investment and redesign that have resulted in reduced residential placements and an associated sustained mitigation of budget pressures. This has identified an opportunity to introduce a new service that targets initial high-cost placements and subsequently, alternative community support for children at risk of residential care. The experience of areas that have established such support has that it has been effective in addressing escalating accommodations. Reflective of the Resources' commitment to learning from other areas and considering the urgency of wider Council financial challenges, work has been accelerated to develop an Intensive Family Support Service for South Lanarkshire.

6.3.2. A draft tender has been scoped at circa £1.2m over a three-year period for a provider to work with identified children in high-cost residential care. This would be funded from the anticipated annual savings from a reduction in placements (outlined further at 6.3.5. below). The aim is to return them to their family home or alternative low-cost options in the community. This could be in-house residential, or independent living in their own tenancy. This would require care experienced children being a priority for housing allocations.

6.3.4. The plan would be to target young people in residential high-cost placements aged between 12 and 18 years of age. The Council would prioritise those exercising their right to remain under the legislation by offering a viable and supportive option to return to South Lanarkshire, back to their own home or to support a safe transition to independent living.

6.3.5. Analysis indicates that by reducing placements by 15 over the first two years, then annual savings of £3.6m could be realised thereafter. This is based on a return and reduction of 15 children from high-cost residential places over the two years (which is considered viable). The initiative can then be reviewed as to whether this Service needs to be continued or a new approach developed. A reduction of a further 5 placements in year 3 could realise a further £1.4m per annum on top of the £3.6m outlined above.

6.3.6. The timescale identified for the procurement and awarding of a contract following a tender process is August 2024, with a three-month run-in time for a successful provider to commence this work in December 2024.

6.4. Review and Update of Policies and Procedures (Green)

6.4.1. A due diligence review of a number of Council policies and procedures will be progressed to ensure that they are up to date in respect of meeting statutory requirements and changes in legislation; and to benchmark procedures with other areas of Scotland to ensure best value-for-money:-

- Fostering and Kinship rates for Continuing Care
- Supported Carer Rates
- Adoption Allowances

6.4.2. There is currently no specific policy within the Council in respect of transport support for children and their carers affected by disability. Work will be undertaken to develop such a policy, considering areas such as transport to respite and out-of-school activities. This process will involve consultation with current service users and stakeholders to develop a policy that identifies clear and equitable criteria for inclusion for transport entitlement as part of care planning. It will take into account families who receive Universal Credit or Personal Independent Payments that include a mobility component to assist with mobility in the community.

6.4.3. All of the above will be undertaken through the first quarter of 2024/25 prior to then being presented, updated or new policies drafted to the Committee for approval.

#### 6.5. Undertake Service Reviews (Yellow/Amber)

6.5.1. Reflective of section 4, the following service areas will be reviewed for opportunities for budget reduction so as to protect statutory duties that need to be delivered by the Council under the various legislative frameworks as referenced at section 3:-

- The Counselling Service within Social Work. It is not a requirement for Social Work to provide dedicated counselling, noting that there has been significant investment in schools counselling provided through Education Resources. This review would be undertaken through the first quarter of 2024/25, consulting with staff and key stakeholders, prior to then presenting a recommendation to the Committee for approval.
- 24/7 Emergency Social Work Services (ESWS). There is no statutory requirement to provide a 24-hour Social Work response and not all local authorities run a 24/7 out of hours service. There are specific out of hours responsibilities that need to be maintained, for example Child Protection investigations as well as providing place of safety for children at risk or unaccompanied asylum-seeking children. This review would be undertaken through to the third quarter of 2024/25, consulting with staff and key stakeholders, prior to then presenting a recommendation to the Committee for approval.

#### 6.6. Review and Update Contracts (Yellow)

6.6.1. Reflective of section 4, due diligence reviews of contracts are being accelerated to identify opportunities for budget reduction so as to protect statutory duties that need to be delivered by the Council under the various legislative frameworks as referenced at section 3.

#### 6.7. Review of Use of Estate (Green)

6.7.1. As members have been made aware and as the Chief Social Work Officer Annual Report 2022-2023 has highlighted, the recruitment and retention to the social care workforce for both qualified and paraprofessional roles continue to remain a challenge in South Lanarkshire as is the case across Scotland. This is impacted further with an existing ageing workforce. As per 3.3. above, the Resource has continued to reinforce capacity across all social work services to ensure it meets statutory requirements, increased demand, and complexity of service users. Given the financial and workforce pressures, work will now be initiated to review accommodation from which staff are based to ensure that there is the necessary reach into communities alongside ensuring staff and teams are located in such a manner as to ensure sufficient critical mass and resilience alongside identifying options for efficiencies so as to future proof statutory service delivery in a challenging

climate for the recruitment and retention of front-line staff. This will include scoping the possibility of delivering services in less buildings. This is with a view to further mitigating financial pressures and to build service resilience given capacity challenges, noting that concentrated staff groups can offer better resilience than smaller teams spread across wide geographical boundaries.

## **7. Employee Implications**

- 7.1. Service review for the Counselling Service (5 FTE staff) and the ESWS (10.72 FTE staff) and the estate review will be undertaken in accordance with Council policies and procedures, with trade unions engaged.
- 7.2. The outcome of those reviews will be presented to a future meeting of the Committee.

## **8. Financial Implications**

- 8.1. The projected budget gap for 2024/2025 and thereafter is projected at £10.6m. This is the first of a series of dedicated reports to the Committee identifying areas of action to address the budget gap recurrently going forward. These reports will identify, describe and propose areas for development and options for reducing expenditure over a three year timeframe to address the projected annual £10.6m budget shortfall so that the Resource can operate within its allocated budget.
- 8.2. As per 5.2 above and as an interim solution, it should be noted that the proposed Revenue Budget for 2024/2025 includes a Budget for Social Work Resources. This includes budget for the delegated services of the IJB (Adults and Older People Social Work), as well as non-delegated services such as Social Work Children and Families. Members have previously been advised that the recent actuarial valuation of Strathclyde Pension Fund has meant that the level of Employer Pension Contributions will be reduced into 2024/2025. As is the case for the Council, this means that the IJB will not incur the same level of costs in 2024/2025. The total Social Work Resources Budget for 2024/2025 will remain the same, but funds released as a result of the reduced pension contributions for the IJB in 2024/2025 (£7.7 million) can be used to contribute towards continued pressures in Social Work Children and Families. This adjustment would be made between the delegated IJB budget (Adult and Older People Social Work) and the Social Work Children and Families budget in 2024/2025 and 2025/2026.
- 8.3. In respect of the new Intensive Family Support Service, as per 6.3.2 a draft tender has been scoped at circa £1.2m over a three-year period for a provider to work with identified children in high-cost residential care. This would be funded from the anticipated annual savings from a reduction in placements (outlined further at 6.3.5.).

## **9. Climate Change, Sustainability and Environmental Implications**

- 9.1. There are no climate change, sustainability, and environmental implications with this report.

## **10. Other Implications**

- 10.1. In order to protect statutory services and address the budget pressures there is a requirement for Social Work Children and Families Social Work to actively review on an ongoing basis what and how services will be delivered; and the Council needs to determine its risk appetite for significant change in line with the current financial challenges. The Sustainability and Options Appraisal Screening Tool will inform future decision making re any changes to services.

10.2. The actions described within this report will mitigate the following risks within the Social Work Resources Risk Register:

- Funding and budgetary pressures – very high
- Workforce Availability and Capacity – very high
- Meeting Public Protection and Legislative Duties – very high

10.3. The current budget pressures on the allocated budget are not sustainable and all options for savings and efficiencies need to be considered. All options carry consequences which need to be balanced against the risks to financial sustainability and the Council's ability to deliver its statutory duties with regards to Social Work Children and Families Services. In order to protect statutory services and address the budget pressures there is a requirement for Social Work Children and Families to review how services will be delivered, and the Council needs to determine its risk appetite for significant change in line with the current financial challenges.

## **11. Equality Impact Assessment and Consultation Arrangements**

11.1. Equality Impact assessments will need to be undertaken in relation to any future proposals to change Council policy in relation to the areas identified for review of policies.

11.2. A Child Rights and Wellbeing Impact Assessment (CRWIA) would also need to be undertaken in relation to the savings report under the UNCRC Incorporation Bill to ensure that our policies protect and promote the rights and wellbeing of children and young people.

11.3. Full consultation will be undertaken where necessary with staff, managers, Trade Unions and key stakeholders. External scrutiny and regulatory bodies would also need to be advised of any changes to models of delivery and where that impacts on the delivery of statutory duties. For those areas of policy review and update appropriate consultation will be undertaken with service users, carers and key stakeholders.

**Professor Soumen Sengupta**  
**Director, Health, and Social Care**

**Paul Manning**  
**Chief Executive**

22 February 2024

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ caring, connected, sustainable communities
- ◆ our children and young people thrive
- ◆ people live the healthiest lives possible

### **Previous References**

- ◆ none



## **List of Background Papers**

◆ none

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact: -

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## Appendix 1

Services	Annual Budget 2023/24	Forecast Variance 2023/24
	£m	£m
Inhouse Residential Care	4.975	(0.417)
External Residential Care	5.000	(8.393)
Throughcare including UASC	0.000	0.396
Supported Living External	0.466	0.116
Assessment and Care Management	14.969	1.236
Community Based Services	1.526	(0.169)
Fostering and Adoption	6.879	(1.444)
Kinship Care	3.545	(0.954)
Other Services	1.289	0.068
Young Person Service	1.057	0.036
<b>Children &amp; Families Shortfall 2023/24</b>	<b>39.706</b>	<b>(9.525)</b>
Temporary Funding	9.235	9.235
<b>Revised Shortfall 2023/24</b>	<b>48.941</b>	<b>(0.290)</b>
Children & Families Shortfall 2023/24		(9.525)
Non-recurring Employee Cost Underspend		(1.123)
<b>Children &amp; Families Anticipated Shortfall 2024/25</b>		<b>(10.648)</b>

