

Demography and demand planning...

Budgeting for Looked After Children

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Budget setting process

- Council budget setting involves planning for demographic and demand pressures
- Included in Table 3 of Business Plan
 - Establish base budget, taking account of adjustments
 - Add inflation
 - Add agreed demography and demand requirements
 - Add other pressures
- Gives resources required to 'stand still'
- Compare this to total funding available to generate savings requirement

Demography and demand requirements funded in Business Plan 2018-23

- Physical disability (yr 1 £430k)
- Autism and adult support (yr 1 £39k)
- Learning Disability Partnership (yr1 £1,699k)
- Older People (yr 1 £2,135k)
- Older People Mental Health (yr 1 £202k)
- Home to School Special Transport (yr 1 £415k)
- Looked After Children (yr 1 £1,460)
- Special Guardianship Orders / Adoption (yr 1 £350k)
- Community equipment (yr 1 £63k)

Methodology for allocating funding

1. Consider services likely to be affected by increases in the number of clients or their needs
2. Determine appropriate calculation and cost drivers
 - a) Client group
 - b) Service costs
3. Gather information and complete calculation
4. 'Sense-check' to confirm allocation
 - a) Agreement by Corporate Leadership Team
 - b) Sign-off by SMT

Calculating resources required to meet demographic and demand pressures

Use corporate template for recording calculation – questions:

- What is the client / population group that drives these costs?
- What is the original number and / or need of clients and what is the expected change in client numbers and / or costs?
- What is the source of information and model used for forecasting these changes? Show how these numbers are then translated into demand on the budget
- Is client growth in line with the general population? If not why does it differ?

Learning Disability Partnership

- 1) 18-25 team – use average cost and placement patterns derived from existing clients
 - a) Intake – young people turning 18 who are known to social care + a factor for unknown young people)
- 2) Locality teams – use data from previous years
 - a) Population related element – flows in and out of the service
 - b) Need related element – net changes in costs following changes in needs (excluding changes arising from savings activity)

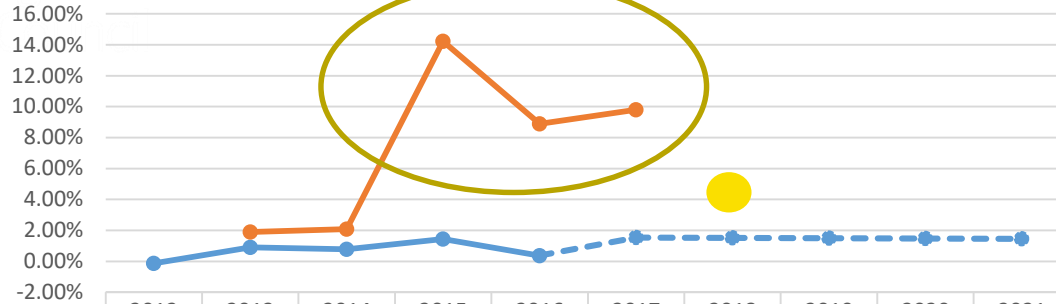
Older People

- 1) Population change is most important driver
- 2) Assume prevalence of support is same as current
- 3) Forecast the number of different placements (residential, nursing, res dementia, nurs dementia, home care, direct payments) based on existing patterns and population growth
- 4) Review patterns and apply adjustments – e.g. analysis of reasons people start and end nursing care
- 5) Apply assumptions about price of each placement – used current average cost

Looked After Children

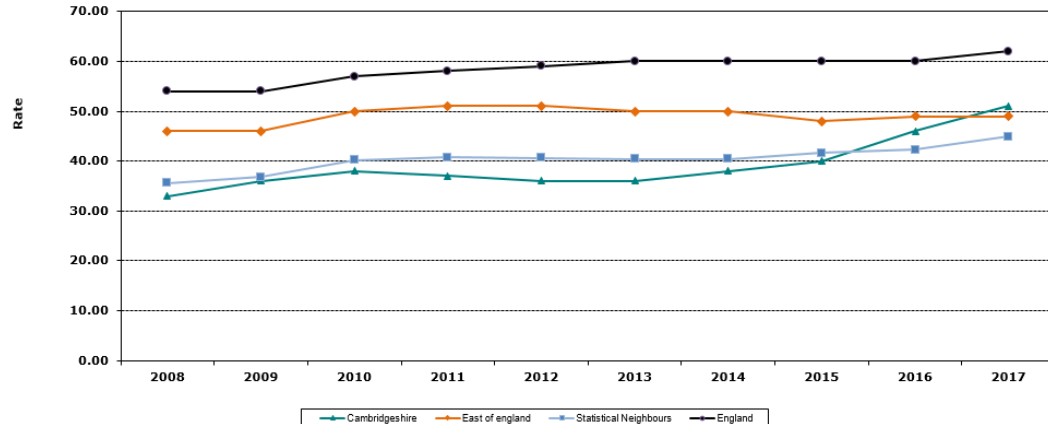
- 1) Review previous years' growth rates
- 2) Sense-check against current situation and project growth forwards
- 3) Calculate average cost of LAC
- 4) Calculate extra resources required

Population change vs LAC population change

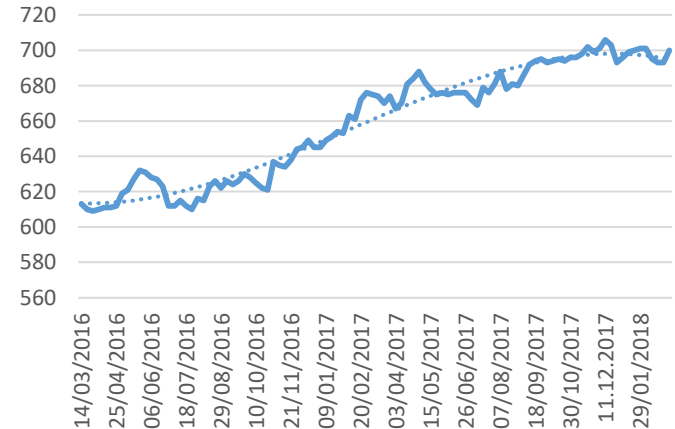


Growth rate in
2017-18 =
approx. 4.5%
(yellow blob)

Children looked after rate, per 10,000 children aged under 18



LAC numbers Mar 2016 - Mar 2018

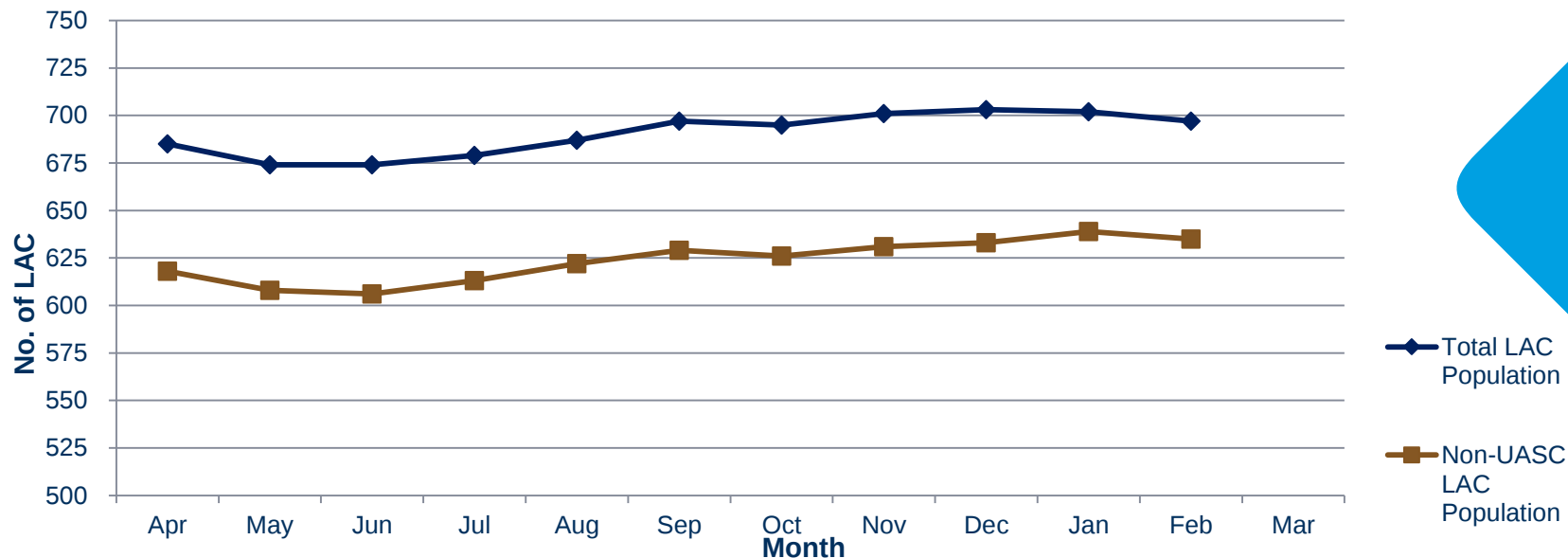


LAC Numbers, Budget and Expenditure from 11/12 to 22/23:

Financial Year	Total LAC Population			Non-UASC LAC Population *			Budget £'000	% Change	Expenditure £'000
	No's.	Annual Change		No's.	Annual Change				
		No's.	%		No's.	%			
2011/12	472 - 474	+2	+0.4%	-	-	-	£17,329		£16,782
2012/13	474 - 479	+5	+0.4%	-	-	-	£16,781	-3.2%	£15,903
2013/14	479 - 501	+22	+5.3%	-	-	-	£16,113	-4.0%	£16,428
2014/15	501 - 535	+34	+7.4%	-	-	-	£15,579	-3.3%	£17,119
2015/16	535 - 610	+75	+12.3%	520 - 549	+29	+5.6%	£14,737	-5.4%	£16,520
2016/17	610 - 677	+67	+11.0%	549 - 610	+61	+11.1%	£12,512	-15.1%	£16,664
2017/18 **	677 - 697	+20	+3.0%	610 - 635	+25	+4.1%	£17,344	+38.6%	£20,893
2018/19 ***	-	-	-	634 - 659	+25	+3.9%	£19,641	+13.2%	-
2019/20 ***	-	-	-	659 - 684	+26	+3.8%	£21,454	+9.2%	-
2020/21 ***	-	-	-	684 - 711	+27	+3.9%	£23,324	+8.7%	-
2021/22 ***	-	-	-	711 - 739	+28	+3.9%	£25,254	+8.3%	-

LAC Numbers During 2017/18

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total LAC Population	685	674	674	679	687	697	695	701	703	702	697	
Non-UASC LAC Population	618	608	606	613	622	629	626	631	633	639	635	



Placement Types and Unit Costs

	Apr-17	Feb-18		Apr-17 - Feb-18			Feb-18
	Average Weekly Cost £	Average Weekly Cost £		Increase / Decrease in Average Weekly Cost £	Increase / Decrease in Average Weekly Cost %		No. of Placements
Residential - disability	2,545	2,778		+233	+9%		2
Residential - secure accommodation	0	0		0	0%		0
Residential schools	1,781	2,628		+847	+48%		17
Residential homes	2,939	3,323		+384	+13%		37
Independent Fostering	794	831		+37	+5%		264
Supported Accommodation	1,475	1,456		-19	-1%		27
16+	241	219		-22	-9%		8

2018/19 Budget

	18-19
	£000
Opening LAC Placements Cash Limit	17,344
Pressure Funding:	
Looked After Children	1,956
Centrally funded inflation - Looked After Children (LAC) placements	382
Demand - LAC Numbers	1,460
LAC Placement budget savings	-1,500
Net change to LAC Placement Budget	2,298
Closing LAC Placements Cash Limit	19,641

Underlying Pressures

- Pressures funding of £1.9m based on forecast position as at November 2017.
- Included assumptions around:
 - Delivery of savings;
 - Reduction in overall numbers and;
 - Static unit costs.
- Actual in-year position worsened due to:
 - Non-Delivery of Savings in-year – phasing slipped into 18/19;
 - Slight increase in overall numbers and;
 - Increasing unit costs.

Addressing increased LAC population

- Growth appears to have stabilised;
- National picture is of rapid increase in rate of children in care over last 2 years;
- Eastern region: 11 of 12 authorities experiencing significant pressures on budgets as numbers and unit costs increase;
- Unit costs increase partly as function of rising demand;
- We are addressing this in three ways....

Numbers....

- Rate per 10,000 is significantly higher than average of our statistical neighbours;
- We have commissioned Oxford Brookes to undertake 'deep dive' of causes, which reports end March;
- Interim factors identified include:
 - Current configuration of services does not adequately prioritise progress of individual children through care system;
 - Some indications that there are more older young people coming into care than might be expected, which would also increase unit costs.

Action1: Address numbers....

- This will require some operational changes in order to ensure we provide the best support to our social work teams in the work they do;
- Report summarising proposals will go to CYP Committee in May, drawing on:
 - Messages from staff;
 - Oxford Bookes work;
 - Peer review
 - Ofsted focused visit.

Costs

- Action 2 – reduce use of agency fostering placements:
 - A high proportion of children in care in Cambridgeshire are placed with agency as opposed to ‘in-house’ fostering placements
 - Investment in fostering service and new marketing campaigns about to go live with stretch targets for recruitment of fostering households;
- Action 3: Reduce unit costs of high cost placements:
 - External placement budgets transferring to Commissioning Service where a more business focused approach can be adopted.

Financial year 2018/19

- Numbers of children in care have stopped rising;
- We are managing pressures from now and my aim is to maintain costs within full year funding envelope;
- Other mitigating actions from within People and Communities will be undertaken if necessary;
- This is a high risk volatile budget, however, but Members will know early if there are emerging issues;
- Complexity of dynamics of change mean that bringing population and placement mix into line may take some time.