

DEVELOPING A COMMISSIONING STRATEGY FOR CHILDREN AND YOUNG PEOPLE IN HEREFORDSHIRE

PROGRAMME AREA RESPONSIBILITY: CHILDREN'S SERVICES

CABINET

17TH FEBRUARY, 2005

Wards Affected

County-wide

Purpose

To note the requirement to develop a commissioning strategy for children and young people in Herefordshire.

To receive an outline of the initial elements for such a strategy.

To consider the immediate priorities and responses to the challenges on resources and performance 2004-05.

Key Decision

This is not a Key Decision

Recommendation

THAT it be agreed that:-

- (a) the Children's Partnership Board (once established) ensures that there is a commissioning strategy for vulnerable children (social care) and that is reflected in the broader Children and Young People's Plan for April 2006;**
- (b) the key elements for a commissioning strategy for children's services focuses on a needs assessment for county children; family support and the overall needs of looked after children;**
- (c) a three year commissioning strategy for children and young people be produced by December 2005 to identify efficiencies and potential investment options; and**
- (d) immediate commissioning priority service attention be put into further developing fostering services and targeted family support services.**

Reasons

To inform Cabinet on the key elements and priorities for a commissioning strategy for children (social care service).

Further information on the subject of this report is available from
Henry Lewis, Head of Social Care (Children) on (01432) 261603

Considerations

1. The Joint Review of Herefordshire Social Services in 2002 drew attention to the key relationship between established formal processes of strategic commissioning and the overall performance assessment for Herefordshire. This message was reinforced in the Annual Review conducted by the Commission of Social Care Inspection (CSCI) in Autumn 2004 with particular attention being drawn to our looked after children's educational attainment as well as our fostering services capacity to respond to the demands made upon it. The suggestion is that the lack of a clear commissioning process contributed to the down rating of children's services.
2. Strategic commissioning of services can be understood in several ways. The Audit Commissioning has described it "*as the process of specifying, securing and monitoring services to meet individual needs at a strategic level.*" This is to apply to all services whether provided by the local authority or by other providers, independent or voluntary sector.
3. This strategic approach to commissioning is seen as essential to improve outcomes for children, young people and their families and occupies a central position in the government's agenda for change for children.
4. A successful approach to strategic commissioning will incorporate all of the following:
 - A focus on safeguarding children and promoting their welfare
 - Involve children, young people and their families in its development
 - Developed through a multi-agency approach
 - It is based on a comprehensive needs assessment, taking into account current and future needs
 - A strategy based on robust information both in quality and cost effectiveness of services.
 - Joint strategies across local and regional boundaries to deliver local needs
 - Commissioning aims to represent medium to longer term investment priorities and require an appropriate financial framework to ensure sustainability.
5. In order to achieve the five outcomes for children as seen in the government's document Every Child Matters (stay safe; be healthy; enjoy and achieve; make a positive contribution; achieve economic well-being) there is a clear need to develop such a strategy supported through a multi-agency approach.
6. The establishment of a Children and Young People Partnership Board in Herefordshire (Cabinet, January 2005) will form the background to creating a children's trust arrangement. The overall aim is the integrating of services to children between the agencies. One of the signs of this working is that of an integrated strategy between the agencies showing joint planning, commissioning and, as appropriate, the pooling of resources.
7. The Children Act 2004 has clearly required each local authority, through the Partnership Board to produce a Children and Young Person's Plan (CYPP) by April 2006. This first Plan will contain the overall commissioning strategy for children's

services for the next three years.

8. The intention of the Director of Children's Services is to establish the Board by April 2005. The following actions will form the backdrop to the creation of the CYPP in 2006:-
 - An analysis of the needs of children locally. This forms the basis of developing a more comprehensive commissioning strategy.
 - Begin to show more explicitly how services are to be aligned and integrated with those contained within the strategic plans of key partners such as health.
9. The approach taken to service development will need to show clear linkages to the five outcomes for children as expressed in Every Child Matters and the outcomes framework, Change for Children.
10. Children's Social Services, within the Council, has faced significant budgetary pressures in the last two years. Any strategy therefore has to derive from an understanding of needs and future trends. The intention of such a strategy has to take account of the vulnerabilities of the current services and how investment decisions can maximise performance gains for the Children's directorate.
11. The need for a commissioning approach is emphasised by some preliminary analysis of the demographic change and potential future patterns of demand.
12. Herefordshire's population overall is expected to increase by 2.5% to 182,475 by 2011, the population aged 0-19 is projected to fall by 9% to 37731 by 2011 (*ONS 2003*). The projected fall is not uniform either by socio-economic group or age band and both have implications for the future commissioning of services. In respect of the former, rates of decrease are expected to be less for lower socio-economic groups. For the latter, the significant fall is within the age bandings 0-9 (at around 14%) while the older cohorts show only a modest decline.
13. These changes may already be being evidenced within the Looked After population where the trend towards a younger population has reversed since 2003. Looked After children who are ten years and over now represent nearly three-quarters of the Looked After population as a whole and are projected to do so over the medium- to longer-term.
14. At any one time approximately 16 per thousand children and young people (of whom 2 per thousand will be children with special needs arising from a disability) will be receiving a service directly from Herefordshire Children's social services. (Children in Need census 2003). Of these 28% will be children Looked After and 72% children supported within their own families. These groups represent 65% and 35% approximately of total current expenditure by social services.
15. Analysis of the Children in Need census data at a national level reveals significant differences in the distribution of spend for each group across the age spectrum. For children supported at home the distribution of costs 0-19 years is relatively uniform save for a peak at ages 2-4 years. For children Looked After the distribution of costs is noticeably skewed towards the higher age groups with highest per capita costs incurred for the group 10-15 years. There is nothing to suggest that Herefordshire's pattern of spend differs in any essential way from this profile.

16. In summary, the central implication for Herefordshire of the demographic changes outlined above is the relative growth of the age cohort (10+ years) who consume the greatest level of resources per capita within Children's Social Services. At the same time the absolute reductions projected for the younger cohort (0-9 years) will not be fully realised in respect of business activity for children's social services given the association between patterns of deprivation and referral activity in identified areas in the County.

17. *The commissioning strategy for children's social services, as a consequence of this preliminary analysis, in the first phase requires development around the following:-*

- **Clear Needs Assessment and develop strategic objectives**

The Children and Young People Partnership Board has a key task to ensure that a Needs assessment is produced which will bring together the emerging needs assessments contained for example in health plans and early years plans. This work should aim for completion by the end of 2005. This will give Herefordshire the "across the board" assessment needed to make a county wide commissioning strategy.

18. The current imperatives are to further develop:-

- **Family Support**

Three significant initiatives during the period 2001-2004 have been seen in the Child Concern Model, the family support project with NCH and the move towards integration of services with children with disabilities. Other work through children's fund, the developments in early years (sure start, children's centres) and the work in extended schools shows this is an important area for further evaluation, and potential investment and development. Shared commissioning objectives are needed to shape these services further.

- **Looked After Children (managing the demand for placements)**

This comparatively small group of children (January 2005, 176 children) consume a large proportion of children's services financial and human resources. Taking into account a range of elements this will be in the region of 70% of available resources. The performance measures of our services around education, placement stability and outcomes for looked after children are key in the judgements made on the authority's performance. This will be a key area of inspection in the forthcoming Joint Area Review (JAR) in Autumn 2005.

A report to Social Care and Housing Scrutiny Committee (4th October, 2004) *The Future Shape of Adoption and Fostering Services in Herefordshire* emphasised the significance of considering opportunities for collaborative commissioning. This aims to ensure a flexible and creative approach to meeting the needs of looked after children.

The challenge is controlling rising costs and having placements which suits the needs of a small number of children who will have a range of complex and demanding requirements. The aim is to commission services which combine both appropriate fostering services and residential placements. This is a group of services users which is coming down in number but rising in cost. An example of this is that Herefordshire's Children's Services Directorate and the Primary Care Trust are in the early stages of developing with agency

colleagues in Shropshire and Worcestershire a residentially based service for twelve children with complex needs. Such a service would be run by an independent provider but would not be operative before September 2006.

- **Human resources**

The Children Change agenda demands that all services consider how services are delivered in the future, in what way, and by whom. The implications for the children's workforce will become clearer as the agenda becomes shaped. The development of integrated services will require an assessment of the skills and roles needed in any newly configured services.

19. The future commissioning of services will require that they are undertaken with other partners. The areas that are highlighted as an initial focus appropriately falls into this approach and will be part of the wider Children and Young Person's Plan. A detailed strategy in the identified areas to be reported to the Children's Partnership Board and to Cabinet by December 2005.

Alternative Options

None identified.

Risk Management

The children's agenda is a high priority and there are increased financial and reputational risks to the Council unless a more structured strategy is developed particularly for family support and fostering and more local specialist placements.

Financial Assessment

Detailed investment options including invest to save would be part of any future commissioning strategy and associated business case.

Consultees

Not applicable.

Background Papers

None identified.