

Needs, Numbers, Resources: Informed planning for looked after children

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Abstract

This case study illustrates how analysis of basic published and internally collected routine data on looked after children can be used to achieve a better understanding of patterns and trends over time within an authority, produce comparisons and benchmarking in relation to similar authorities, expose data quality issues, challenge mis-conceptions and myths and help organisations to plan pro-actively based on evidence. Whilst the case study is time and location specific, the findings raise questions about potentially wasted opportunities to use the information sources already available to local authorities to underpin a more evidenced based approach to planning for children's services.

Introduction

The obligation on Local Authorities to collect and collate information is greater than ever. Effective information systems are now required to routinely collect information, most often quantitative data, on a new range of performance and outcome indicators through the Performance Assessment Framework and, for children, to draw up relevant Quality Protects Management Action Plans and report on Quality Protects specific indicators. Over time, this will greatly assist in the task of monitoring performance in delivering better outcomes for service users. Similarly, Best Value and other reviews collate a wide range of data (likely to be both routine quantitative and one-off qualitative) in their task of reviewing the effectiveness of particular services. However, the very range of this routinely collected data, and the fragmented way in which it is often collected, increases the complexity of the task of bringing statistical information from different sources together to get a true sense of how the service is responding to demands upon it. This paper looks at the example of services to children looked after by local authorities. It illustrates from a case study how routinely collected data can be used to understand the changing relationship between needs and services to support more informed strategic service planning.

Predicting the Looked After Children (LAC) Population

In trying to plan service provision local authorities will want to take into account, among other things, the likely demands upon its resources. In children's services the most significant factor is the number of children being looked after by the authority. However, predicting trends in the need for children to be looked after, and the associated

costs, is far from a precise science. Given that decisions to take a child into care will be based on a wide ranging assessment of individual circumstances, there are no easy answers to the question how many children it is appropriate for a local authority to be looking after at any one time, or where they are best placed.

Nonetheless, study of LAC populations reveals some clear patterns – in both size and characteristics of the population and over time and between and within authorities. A reasonable benchmark for local authorities is a comparison between looked after populations in similar local authorities. Research by Bebbington and Miles (1989) suggests differences and similarities between local authorities can be explained by three factors:

- The needs of the child population.;
- Differences in local policy and practices through different interpretations of legislation;
- Differences in policies relating to resource allocation and service provision.

The needs factors found by Bebbington and Miles to be most significant in relation to entry into care include:

- Children in one parent, and especially one adult, households;
- Children in overcrowded accommodation;
- Children in poor households, especially dependent on benefit;
- Children of mixed ethnic parentage.

More recent research (Carr-Hill et al, 1997) relating the needs of local populations to their use of children's personal social services has identified the importance of the following factors:

- Children living in lone parent families;
- Children living in flats;
- Children in families on income support;
- Children living in densely populated areas;
- Children with a limiting long term illness.

Over time, the size and characteristics of the looked after children population are also likely to change in response to national legislative and policy changes. Two current examples are the implementation of the Children (Leaving Care) Act 2000 and the Adoption White Paper (Department of Health, 2000).

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Whatever the reason for changing patterns of demand, local authorities need to be able to respond to the impact of such changes on their services and budgets if the life chances of children are not to be compromised. Being aware of changing patterns and trends is a pre-requisite for responsive planning; understanding the reasons for change may even allow for pro-active action.

Experience gained through consultancy work in several authorities indicates that authorities often do not possess the overview necessary for informed strategic planning for looked after children.

The Case Study

The overall aim of the study was to assist a Social Services Department to understand the changes over time in the composition of its looked after children (LAC) population, and how this could help predict possible future changes, especially in resources for placements. The authority was particularly concerned that numbers seemed to be going up and that, in spite of efforts to control placement budgets, there was a continuing gap between budget and actual spending for this group of children.

While the details of the case study presented here are time and location specific, the methods have a general applicability and the messages are likely to be relevant to others struggling to develop a more evidence-based approach to planning children's services.

Method

The main elements of the study were:

- *Inter-borough comparisons*: Five authorities were selected on the basis of the Audit Commission family groupings and discussion with staff. It was agreed that they represented those local authorities that most closely match the circumstances of the study authority. As this was a London Borough, comparisons were also made with London as a whole.
- *Ten year perspective*: A reasonable time span was required to allow an examination of underlying trends and to understand the 'bigger picture'.
- *Published data*: Analysis of routinely collected and published statistics from the Department of Health, CIPFA and the Office for National Statistics (ONS) formed the main part of the study.
- *Local information*: The consultants also drew on additional local management information and discussions with staff. In particular, discussions with staff helped to provide background information that was useful in exploring changing or unusual local trends that did not seem to follow the wider pattern.
- *National policy*: Knowledge of past, current and likely future developments in national policy which impact on children and children's services was used to inform the analysis and predictions for the future.

In drawing conclusions from analysis of such data one is making assumptions about the accuracy and reliability of local authority information. There is much evidence from researchers and inspectors to suggest these assumptions may be ill-founded; that was also the case in this study. Nonetheless the principle still applies of drawing on all available evidence to inform service planning.

Findings

Poor use information

Although the methodology for the study was fairly simple, something we felt that authorities should easily be able to manage themselves, most of the findings were surprising and, sometimes, a revelation, to senior staff in the authority. The

study as a whole highlighted the lack of focus and time that staff were able to give to using and understanding their own data. This in turn resulted in a poor understanding of activity within the care system among front-line and senior managers, and a lack of understanding of and planning for changes in need in the population among commissioning and finance managers. It also challenged a number of misconceptions held by senior staff.

Relative deprivation and children in need

The DETR Index of Local Conditions, which includes two of the factors specifically related to entry into care, ranked the study authority as one of the most deprived authorities in the country. Other factors were examined through census data. Although some of this information may now be out of date, the overall picture suggested that, on the particular factors that may affect entry into care, the scores of this authority were high seen in the Greater London context, and average within the comparator borough group.

Children looked after make up only a proportion of 'children in need' (CIN) as defined by the Children Act. In turn, 'children in need' are only a small proportion of children who may be 'vulnerable' – that is children whose life chances may be compromised or who are at risk of social exclusion. The boundaries between these groups are very loose and children will move between them. Whilst it is difficult to quantify the number of vulnerable children, comparative information (even if still imperfect) on 'children in need' (CIN) is now available from the Department of Health CIN census. The census requires local authorities to record the number of children who are on their caseload, those whose cases are 'open' and those who receive a service in the census week.

We compared the rate per population under 18 of CIN, children on child protection registers and looked after children (LAC), and the ratio of LAC to CIN, in the comparator boroughs and found that variations were considerable. Given that the comparator boroughs were chosen for their similarity in terms of socio-economic factors, the implications are that the boroughs apply different thresholds for responding to children in need of support and/or protection. The study authority

occupied a 'middle of the road' position both with regard to comparator boroughs and the Greater London average, which would not have been predicted from the high level of deprivation in the borough. This suggested the need to look at other local factors.

Child population and numbers of LAC

Trends in the child population by five year age bands were analysed using ONS mid year estimates 1991 to 2000. This revealed a substantial rise overall (22%) in the 0-17 year age group over the period, with some levelling off in the younger age bands in the last two years.

Table 1. Increases in population of 0 – 17 year olds in the study authority

Numbers aged 0-17 1991/2	Numbers aged 0-17 1999/0	Total increase (No's)	Total increase (%)
58,870	71,660	12,790	22%

Source: ONS Mid year estimates; KIGS

Inter-borough comparisons showed a similar pattern, though the study authority stood out as having the steepest increase and the highest proportion of under 18s in the population.

The total rise in numbers of LAC over the period was consistent with this overall trend, though numbers of LAC did not start to rise until 1996.

Table 2. Increases in number of looked after children in the study authority

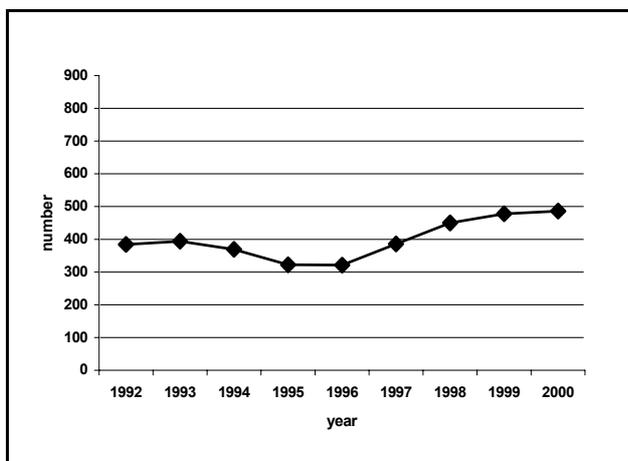
Numbers aged 0-17 31/3/1992	Numbers aged 0-17 31/3/2000	Total increase (No's)	Total increase (%)
384	486	102	26%

Source: KIGS

The percent increase in looked after children was slightly higher than the population increase (26% compared to 22%). This had resulted in a very modest rise in the rate of LAC per population under 18, which was not generally mirrored in the comparator boroughs, several of which already had

rates of LAC considerably above that of the study authority. Local information indicated that unaccompanied asylum seeking children supported under Section 20, although making up only a small proportion (7 percent) of total numbers of LAC, would have contributed about a third of the rise in the *rate* of LAC in recent years.

Figure 1: Numbers of LAC at 31 March in study authority



Overall there was no evidence to suggest that the rate of looked after children was higher than would be expected for a borough exhibiting the levels of deprivation that characterised the study authority; if anything the rate appeared relatively low. The authority was, of course, still faced with the problem of coping with the absolute increase in numbers. The analysis put into sharp relief the need to plan for consequences of increasing child populations and indeed the lack of attention paid to this basic factor. The results raised questions as to whether the pressures to control numbers of children coming into care were reasonable, or in the interest of children in need. It also highlighted the limited use of such evidence in the formulation of local policy to reduce the numbers in public care.

Entrants and leavers

End of year snapshots, although useful for examining overall trends, only give a limited picture of pressures on the care system. In this example the trends for entrants to and leavers from care indicated a *substantial rise in activity* during the nineties. The numbers of children entering and leaving the care system were closely aligned in any one year, though they fluctuated between years.

For example, the statistics showed exceptionally high numbers of entrants and leavers in 1997/8 and 1998/9 - the number of children starting to be looked after in 97/8 rose from 221 to 328, and the number of children leaving care from 246 to 361. The numbers stayed at a similar level in 98/9, dropping back to previous levels in the following year. Thus, the relatively steady numbers in public care on set days seemed to camouflage other changes. Managers appear not to have been aware of the scale of this rise in activity until demonstrated by the present analysis. Local explanations highlighted effects of changes in the authority's policies, practice and organisation during this period, including a more interventionist approach from senior management, restructuring of child protection services resulting in a more proactive mode of operation and the changed remit of the children's planning and review centre. Account must also be taken of the possibility of inaccurate data.

This part of the study demonstrates the importance of monitoring activity throughout the year in order to identify and question what could be effects of changing practices that may otherwise go unnoticed. Changes in the rates of entrants and leavers, if closely aligned, may have little effect on overall numbers and only limited impact on direct placement budgets, but will significantly affect the workloads of front-line social workers. A large number of entrants in one year may pose pressures in the future if the number of leavers drop in subsequent years; this will also be dependent on the age profile of new entrants and leavers.

Budgets and Expenditure

The analysis of expenditure data raised questions about availability, quality and transparency of financial information and about budget planning. However, both financial data sets (CIPFA and RO3 returns to DETR) demonstrated a substantial ongoing gap, averaging £3.6m per year, between the total amount spent and the amount budgeted for children and families services.

While there may be issues of insufficient resources to meet demand in many SSDs this does not negate the need to base budget planning on calculated estimates of need. This did not appear to be happening.

Figure 2: PSS actual and estimated expenditure on children and families 1996/97 - 2000/01 in the study authority (source: CIPFA returns)

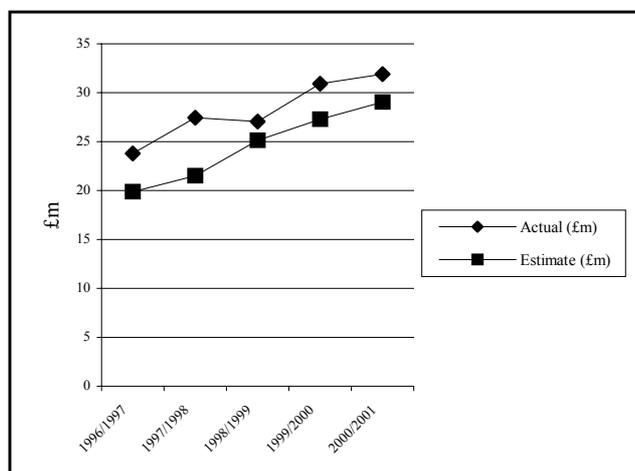
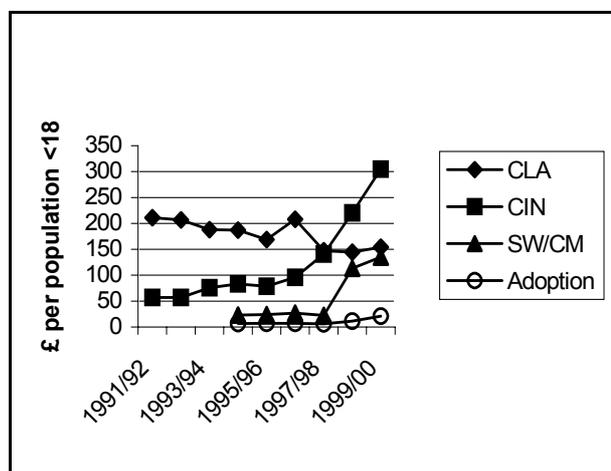


Figure 3: Expenditure on different components of services for children and families in the study



In this authority the gap between budget and expenditure was largely due to overspending on placements: more money had been spent on placements than had been budgeted for in all but one of the last five years. The Social Services Department was therefore under pressure from the Treasurer to 'control' placement expenditure. However, looked at over the recent five year period, it appeared that the percentage rise in expenditure on LAC was considerably lower than the percentage rise in numbers of LAC and that the budgeted rise was substantially lower again. This indicated to us that there was no link between budget planning and any estimate of the likely need/ demand, for example for the placement of LAC, and that, as a consequence, LAC services continued to be under funded in relation to changing levels of need.

This picture was reinforced when we compared the changes in rates of expenditure per population under 18 for different types of children's services. Whilst the rate of expenditure on Children in Need and Social Work / Care Management had risen dramatically, the rate of expenditure on LAC had declined over the ten year period. Although this pattern would be in line with national policy direction, there was no indication that the authority was aware of, or had made use of this information and hence it raises questions about the quality of their needs based planning

Placement patterns and costs

The proportion of children looked after in family placements in the study authority had increased substantially over the nineties from just under fifty per cent in 1992 to over seventy-seven per cent in March 2000 and was the highest among the comparator boroughs. There had been a corresponding decline in proportions of residential placements, though the *numbers* of residential placements had not changed substantially in the last 5 years.

As was expected, the difference between the cost of different types of placements appeared to be very large, though the absence of true unit costs for in-house fostering made like for like comparisons difficult. For the purposes of this study placements were grouped into four cost bands: low, moderate, high, very high. Most children were in low / moderate cost placements, while most of the total expenditure was incurred by high/very high cost placements. At one end of the spectrum half of LAC accounted for 16 percent of total placement costs, while at the other end 10 percent of LAC accounted for one third of placement costs. This is illustrated in Figure 4.

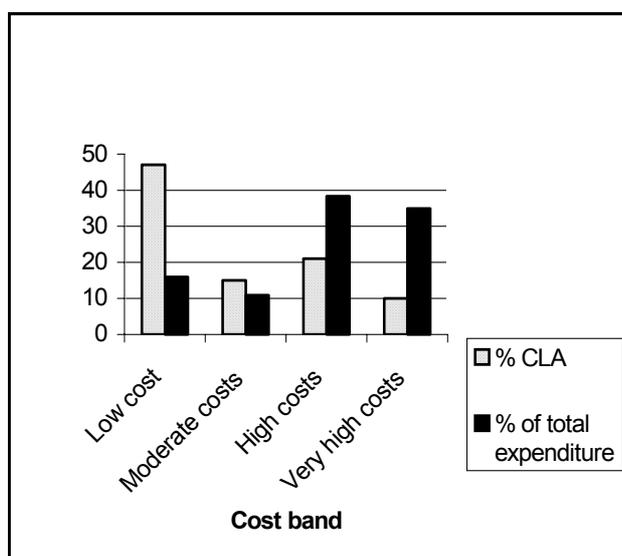
Table 3. Placement patterns in the study authority

	Foster Placements		Residential Placements		Other Placements	
	No. of	% of	No. of	% of	No. of	% of
	Children		Children		Children	
31/3/92	189	49%	89	23%	106	28%
31/3/95	222	69%	46	14%	53	17%
31/3/00	376	77%	42	9%	68	14%

Source: KIGS

Local feedback suggests that placement costs may have been adversely affected over the last few years by limited management control over placement decisions, and poor resourcing of the family placement team, with consequent decline in the recruitment of in-house foster carers.

Figure 4: Proportion of CLA and expenditure in different cost bands - study authority 2001



Although the authority had access to substantial data on placement demands and costs, there was little evidence that this was used for determining operational objectives or pro-active resource allocation.

Discussion

The study raised a number of general issues about use of data to inform understanding of and planning for children’s services. Although it is not possible for us to say how far these issues are reflected in other areas, consultancy undertaken by the authors across several authorities suggests that social services departments are not exploiting the opportunity to use their own basic data collection to gain an overview of need and demand and to make a link between need and budget planning.

A comment often made is that data is not reliable. But data will only be improved if it is used regularly and there is a feedback loop, which ensures continual improvement of data. This is particularly true of financial data and unit costs. Another frequent comment concerns lack of software systems to assist data analysis. Whilst it is acknowledged that implementation of new information systems is a major task for authorities, the analysis in this project was undertaken on core data that all authorities collect and with basic software packages, which most authorities possess.

Even where data is monitored on a regular basis, authorities often fail to see developments in a wider perspective. This case study demonstrated the value of seeing the ‘bigger picture’ by comparing with other similar boroughs, and over a longer time period. The Best Value process has encouraged councils to undertake this kind of analysis, but to have an ongoing impact it needs to be an integral part of the management process, not just a series of ‘one-offs’.

Conclusion

Local authorities have substantial information sources at their disposal, both from their own recording systems and from published statistical data covering all authorities, and a lot of time and effort is expended by staff at all levels recording data. There is considerable potential for using this

information for more informed strategic planning and, in particular, to link financial planning more coherently to an understanding of service activity and operational realities. Using comparative data across time and/or across authorities can also help managers to detect trends and to benchmark themselves against other similar authorities. This case study has illustrated the benefit that may be derived from regular analysis of even very basic data, and the wasted opportunity to develop a more evidence based approach to planning for children's services of not using such information to underpin decision-making.

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