Consultation

Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?

1. Yes, via COSLA’s submission.

Do you believe your comments on the financial assumptions have been accurately reflected in the FM?

2. Not in all parts in particular in relation to rational for only one year of additional funding in respect of Kinship Care.

3. See comments in relation to questions 4 to 7

Did you have sufficient time to contribute to the consultation exercise?

4. Yes

Costs

If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details?

5. No. A number of issues as follows:

a) GIRFEC – Named Persons – Training: the costs for the initial 2 days training seems reasonable, however there will be a need for ongoing training. It is anticipated that this ongoing training will displace other training on CPD days and actually require additional time for training on a regular basis. In order to complete the training it will require a degree of backfilling and this will be substantial given numbers of staff involved, particularly in Education services where, in primary schools it is likely that the best placed person to be the Named Person may actually be the class teacher, or if not the class teacher, then the class teacher will require to have a role in the process and be involved with the Named Person in delivering that role. This will have training costs and as noted above it is viewed that this will displace other training on CPD days and will therefore require an element of backfilling.

b) GIRFEC – Named Persons – Staff Costs: The calculation of the first year’s additional costs at 3.5 hours for 10% of all children is reasonable, however the assumption at paragraph 52 that some form of system change will accommodate these costs for years 2 onwards is speculative and basically assumes that £7.8m can be saved from elsewhere in the system to accommodate this. This is, however contradicted in some of the examples provided in paragraph 53 e.g. that Social
Workers will have less referrals and therefore “freeing up time to focus on more serious concerns” – this does not generate a saving that can be used to fund the cost of time for the Named Persons. The example regarding savings of time from fewer meetings – again this is speculative as it is quoted as 75% of time saving for meetings – to be meaningful would assume that the people who will be Named Persons currently spend 75% of their time in meetings – this has not been measured. The savings identified for the Children’s Reporter will not result in funds being made available to local authorities to fund the Named Persons’ time. The potential for a reduction in numbers of children on the CP register will not necessarily result in savings, though this may be possible; however, there is a lack of evidence for this assumption. The £7.8m cost identified for staff time should be funded on a recurring basis. In addition, the assumption that Social Workers will ‘free up more time for more serious concerns’ actively works against the policy initiative around Early Years and Preventative work as supported and encouraged by the Early Years Collaborative.

c) GIRFEC – Named Persons – Administrative Costs: For the same reasons identified at answer 4b) above the costs identified of £1.95m should be funded on a recurring basis.

d) GIRFEC – Named Persons – Staff Costs and Administrative Costs: In relation to the FM assumptions regarding local authorities this is inconsistent with the assumptions identified at paragraphs 60 and 61 of the FM which sees ongoing recurring costs for the NHS. There is a lack of detail as to why the proposed difference in assumptions for local authorities to the NHS.

e) Early Learning and Childcare – noted that costs are estimated at 2011/12 prices – these should be uprated to 2014/15 costs.

f) Early Learning and Childcare – While at paragraph 75 the FM states that the costs were derived in discussion with COSLA and some local authorities, it is not clear that the funding identified in table 17 are those which COSLA identified. The issue regarding flexibility of service provision is an issue that is not clearly costed in the FM and the discussion between COSLA and local authorities at the time of the Scottish Government consultation identified significant variations in cost depending on the model used to deliver the 600 hours. It is not fully clear as to how the FM stated costs are calculated and how the costs around flexibility are dealt with. Current models of delivery are simple and highly efficient - 2.5 hours in the morning and 2.5 hours in the afternoon, with time for a lunch break for staff in between. More flexible models could be much more expensive in terms of staffing and other resources. It would therefore appear that the costs of implementation are more than just “indicative” and are more “speculative” in nature. It would appear that this is simply placing the cost risk on local authorities.

g) Early Learning and Childcare – Capital costs: it is unclear how the £90m total cost has been calculated.

h) Getting It Right For Looked After Children – Extending Throughcare and Aftercare: the assumptions used in table 18 are speculative and generate an
indicative demand that reduces by 1,000 cases by 2019/20. There is clearly a risk that this reduction in demand won’t occur and therefore the costs to local authorities are under-costed. In addition the assumption that the increase in successful applicants will increase to 65% is not evidenced and there is a risk that the success rate could be higher than this – again resulting in costs to local authorities. The value used for the cost of ongoing care at £3,142 is lower than the value of care for such clients which was done during the consultation process, where at that point the average cost was over £6,000 per client.

An additional concern here is that due to changes to benefits system brought in by Welfare Reform there may be more people aged up to 25 who will have difficulty in paying rent etc therefore this demand may need to be met by Local Authorities if they were previously looked after.

i) Getting It Right For Looked After – Kinship Care:

For tables 24 and 25 in the FM there are a range of percentage assumptions as to eligibility and uptake – it is not clear that these assumptions are robust. At paragraph 125 there is an assumption that of the estimated 15,668 children in informal kinship care only between 1.5% and 3.5% per year apply for a kinship care order – there is no rationale for using these figures and, of course, there is a risk that the uptake could be significantly higher than this. The projected avoided costs shown at table 28 suggest that by 2019/20 a minimum of £10.347m can be saved by reducing the number of formal kinship care arrangements. Of this sum around £4.2m is based on reduced demand on Social Workers which is debatable as to whether these are “cashable” savings with no cost of achievement e.g. redundancy costs. The underlying assumption in relation to the potential for avoided Social Worker costs is that demand for formal Kinship Care orders continues to rise at recently experienced rates and therefore local authorities would need to spend an additional £4.2m (lower end cost) on additional Social Worker time. This is a very broad assumption as to future demand and that local authorities would actually be able to afford the projected increased numbers of Social Workers – rather than diverting existing Social Worker time from other work. The assumptions around potential future costs avoided are therefore very speculative, whereas the costs of implementing the Bill may be lower than what would be required. The assumption that section 11 orders would reduce the amount and cost of support to continue to keep these children out of more formal care arrangements is based on a significant assumption – that the higher levels of intervention may well still be required and be comparable with the cost of maintaining a formal kinship care order, due to complex needs, etc. In relation to families “at risk” there is again the assumption that costs can be avoided relating to avoided formal kinship care arrangements – these assumptions may be flawed on the same grounds as noted above.

Table 32 summarises the position per year and shows that the total cost of implementing (at lower end estimates) by 2019/20 will be £7.5m (or £16.1m at higher end cost assumptions). The build-up of these costs is less clear, and it would appear that the total avoided cost identified in the table is wrong each year. For lower estimate costs in year 1 the total should be £3,824,150 (total of £476,894 from table 31 and £3,347,256 from table 28)? Nevertheless as has been stated above many of the stated avoided costs are based on projections around ongoing growth in demand for formal kinship care placements (which may not happen) which
generates additional care/support costs and Social Worker costs. Both of these assumptions suggest that the section 11 order proposed in the Bill will allow such children’s care to be provided on a lower cost basis than is provided to those on formal kinship care orders). There is no guarantee that such costs will reduce – as the support needs of these children will still be the same no matter the form of care order in place as the same desire will be there to keep such children out of more formal care arrangements.

Additionally from a practice point of view it has consistently been the practice of social workers (certainly in West Dunbartonshire) to always seek out any extended family members who could take the child/ren on a kinship basis in order to avoid accommodating the child into formal placements. This has consistently been on the basis that this is often in the child’s best interests – keeps them within their community, near friends and attending the same nursery or school, and not on the basis of cost. However obviously it has avoided for some children the need to bring them into costly placements. The effort for the children who are placed within kinship placements has also been to secure their future care arrangements for the foreseeable future, therefore our social workers have consistently encouraged kinship carers to apply for residence Orders (also section 11). Our experience has been however that carers are less motivated to do so when they know that their weekly support costs will cease, even when we have offered to pay for associated legal costs should they not be in a position to do so. It is on this basis, and from long years of experience that we are not convinced that the assumptions about the number of carers applying for the new Section 11 Kinship Order are miscalculated and will not therefore reduce costs over time or demand.

Do you consider that the estimated costs and savings set out in the FM and projected over 15 years for each service are reasonable and accurate?

6. Cannot see 15 year projections in the FM. In the above response to question 4 it can be seen that there must be serious doubts over the assumptions made in a number of areas of the FM and the real risk that the real cost of implementation will be significantly higher than estimated in the FM.

7. An assumption in the FM cost/benefit analysis regarding Kinship Care is that there will be a significant number of carers who seek to apply for the new kinship care order. This is not guaranteed as even at present kinship carers (probably identified as informal in the FM) do not seek to gain a more formal style of order, as the support already provided by Councils is seen as sufficient. If this basic assumption is problematic then the assumption around the costs of the new order will not be incurred and more importantly the assumptions around avoided future care costs will not be realised (even though, as per above, this assumption is viewed as unlikely to be achievable in any case (per comments at question 4)). West Dunbartonshire always seeks, where the need for care arises, to place children with family members as being the referred route, rather than more formal approaches to care.
If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?

8. No – the costs of implementation cannot be funded by this local authority and it is expected that the Scottish Government should provide local authorities with funding through normal distribution means to fund the full financial impact of the Bill. As stated at answer to question 4 – there is a significant risk that costs in relation to kinship care proposals will not be met by local authorities being able to reduce future costs and therefore the Scottish Government should fund the costs of kinship care changes per the Bill. There is also an underlying concern around the assumptions around future cost avoidance arising from the Kinship Care proposals, that the Scottish Government see this as a means of Councils funding future service cost demands – when in reality the view expressed above is that the potential to avoid costs/generate efficiencies around these proposals won’t actually materialise. The further risk is that the Scottish Government decides on the back of the FM that local authorities need less funding and reduce levels of RSG.

Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

9. No – there are a number of areas of significant uncertainty over the estimates – see comments at question 4. The identified timescales are thought to be reasonable.

Wider Issues

Do you believe that the FM reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?

10. No – per responses above.

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

11. Not aware of any.