

CHILDREN & FAMILIES DEPARTMENT**Revenue Budget as at 31st March 2021**

	Annual Budget £'000	Actual £'000	Variance (Overspend) £'000
Expenditure			
Employees	9,257	9,266	(9)
Premises	284	201	83
Supplies & Services	938	1,136	(198)
Transport	113	103	10
Direct Payments/Individual Budgets	896	732	164
Commissioned Services	224	83	141
Out of Borough Residential Placements	7,213	8,542	(1,329)
Out of Borough Adoption	95	9	86
Out of Borough Fostering	2,475	2,199	276
In House Adoption	297	332	(35)
Special Guardianship	1,722	1,722	0
In House Foster Carer Placements	2,221	2,402	(181)
Care Leavers	287	263	24
Family Support	57	78	(21)
Contracted Services	4	3	1
Early Years	131	219	(88)
Transfer to Reserves	156	156	0
Emergency Duty Team	104	125	(21)
Total Expenditure	26,474	27,571	(1,097)
Income			
Fees & Charges	-34	-22	(12)
Sales Income	-4	-2	(2)
Rents	-46	-48	2
Reimbursements & Grant Income	-795	-723	(72)
Transfer from Reserves	-61	-61	0
Dedicated School Grant	-51	-51	(0)
Government Grant Income	-4,365	-4,365	0
Total Income	-5,356	-5,272	(84)
Net Operational Expenditure	21,118	22,299	(1,181)

CHILDREN & FAMILIES DEPARTMENT

Revenue Budget as at 31st March 2021 Continued

	Annual Budget	Actual	Variance (Overspend)
	£'000	£'000	£'000
Covid Costs			
Employees	0	157	(157)
Supplies & Services	0	57	(57)
Transport	0	25	(25)
Commissioned services to Vol Orgs	0	103	(103)
Residential Care	0	1,154	(1,154)
Direct Payments	0	33	(33)
Out of Borough Fostering	0	2	(2)
In House Foster Carer Placements	0	23	(23)
Care Leavers	0	10	(10)
Family Support	0	2	(2)
Covid Loss of Income			
Rents	-4	0	(4)
Parental Fees	-258	0	(258)
Income			
Reimbursements & Grant Income	0	-34	34
COVID Winter Grant Income	0	-29	29
COVID General Grant Income	0	-1,765	1,765
Net Covid Expenditure	-262	-262	0
Recharges			
Premises Support	193	193	0
Transport Support	19	17	2
Central Support	2,655	2,655	0
Recharge Income	-210	-210	0
Net Total Recharges	2,657	2,655	2
Net Departmental Expenditure	23,775	24,954	(1,179)

Comments on the above figures

The final outturn position is £1.179m above budget at the end of the financial year, with the majority of this directly relating to Social Care Services. Additional growth budget was provided at the start of this budget year of £3.174m and savings were offered up of £62k, resulting in net growth of £3.112m.

Employee costs are £9k above budget as there are a number of vacant posts currently in the recruitment process. These have proved difficult to fill throughout the year and so the use of long-term agency staff has contributed to the small overspend against budget. Total spend for the year for agency staff is £1.512m or 16% of employees budget, including spend for the agency Duty and Assessment team working within the Children in Need Division. This team is funded 40% from the contingency budget and 60% from COVID funding.

Supplies and Services expenditure is £0.199m above budget, largely due to high levels of expenditure against the children in care budget, court costs and consultancy.

The Children in Care budget accounts for 22% of the supplies and services spend and is used across both the Children in Need and Children in Care & Care Leavers Division. The main recurring high costs in this area relate to children’s respite, children’s therapy, nursery fees and translation services.

Consultancy costs account for 23% of the supplies and services spend with the majority of these costs relating to consultancy work currently undertaken in relation to in-house fostering. Whilst these costs are high, as previously reported consideration should be given to the significant financial benefits from this work, which are discussed in detail later in this report.

Court costs also account for 23% of the supplies and services spend, which include fees for assessments and forensic testing required by the court.

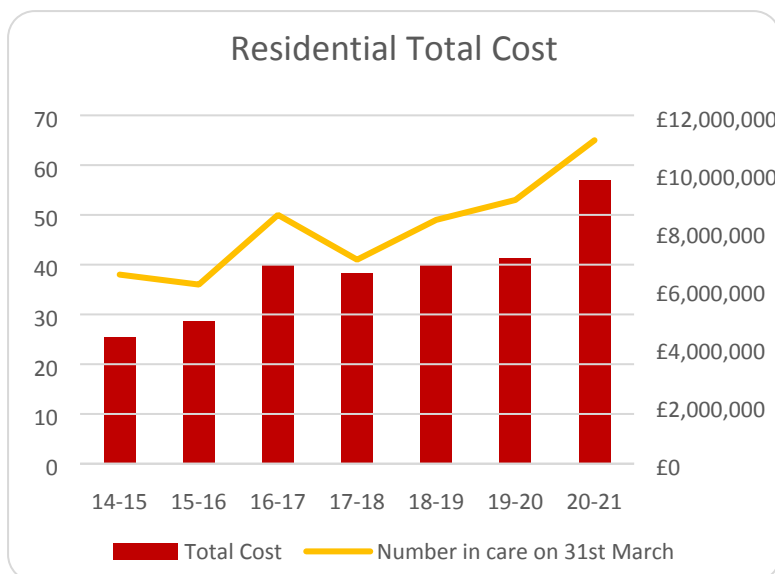
Expenditure in relation to Direct Payments was £0.164m under budget for this financial year. 2020/21 budgetary growth of £0.356m was included due to ongoing annual increases in spend over the last five years. However, the global pandemic made it difficult to undertake full assessments and many clients needed to shield. One-off payments were predominantly used throughout the year to support families, rather than a full Direct Payments package. An audit on pre-paid cards was also carried out, resulting in a high number of reimbursements further reducing spend. Moving forwards into 2021/22 it is expected that the uptake in packages will increase as service delivery resumes and the budget will be fully utilised.

Out of Borough Residential Care continues to be the main budget pressure for the Children and Families Department as the costs of residential care have continued to increase year on year. Additional budgetary growth was provided of £1.85m for this financial year to alleviate the pressure, yet spend for the year was £1.329m over budget; not including packages that were funded from the COVID budget which were an additional £1.154m. Initial forecasts for 2021-22 indicate higher levels of spend than this financial year based on current packages. Although placements and costs are changeable throughout the year there is a general trend of costs increasing. There may also be further financial strain depending on the longevity of COVID funding, should this funding cease then this will add further pressure to the budget.

The table below breaks down the current residential placements based on costs and placement type. These are the full package costs including the COVID funded element in order to give the accurate costs of residential care at present.

Provision	Weekly Costs	No. Placed	Total cost for the year
Residential	£2000 - £3000	4	358,048
Residential	£3001 - £4000	15	2,784,509
Residential	£4001 - £5000	10	1,831,251
Residential	£5001 - £6000	4	657,261
Residential	£6001 - £10,500	4	1,224,234
Secure	£6713 - £10,500	3	971,407
Leaving Care	£300 - £3487	23	1,809,338
Parent & Child	£581 - £,2053	2	127,589

The graph below illustrates the rising costs of Residential Care:



Processes are in place to identify those children who may be able to step down from residential care into foster care. This is an ongoing and lengthy process due to the complexities of the cases and there is no certainty that there will be any suitable young people identified.

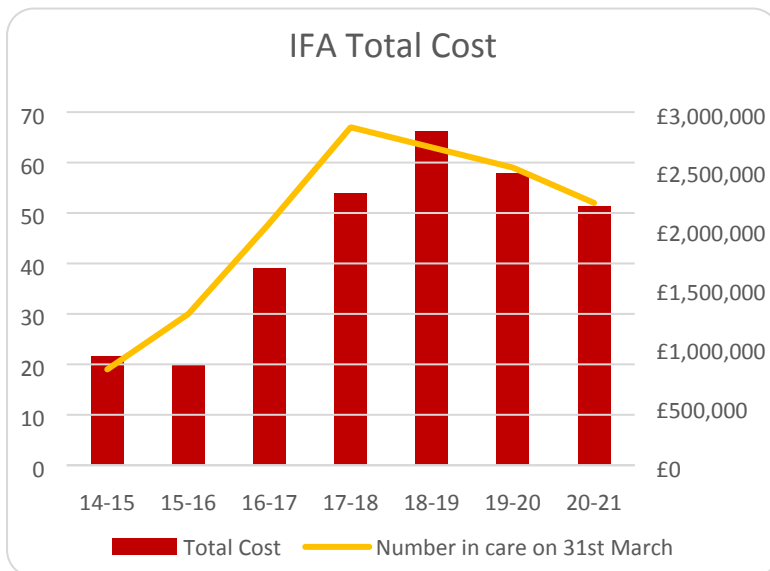
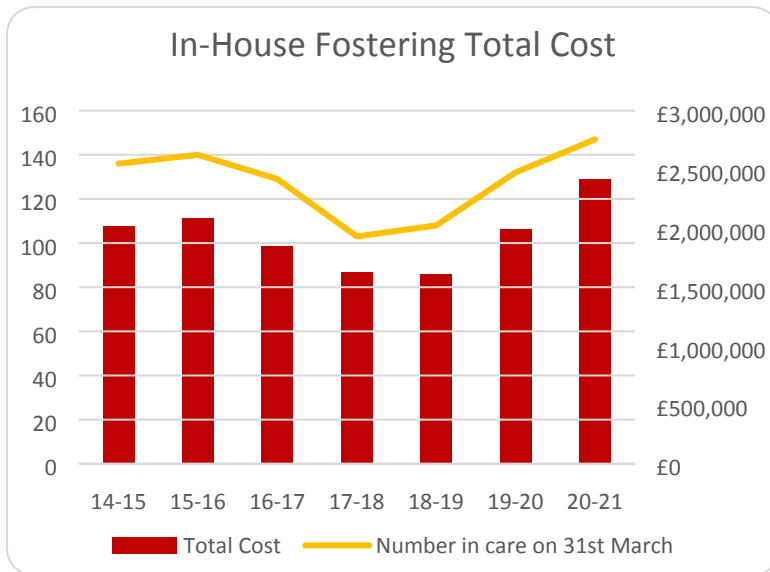
In order to address the rising costs of semi-independent (leaving care) provision, a new Supported Lodgings service has been created. This in-house provision will support those young people who are leaving care and taking the first steps towards independence. This service is new to Halton and the successful recruitment of providers is ongoing. The costs of this service will be far less than the costs of current leaving care provision, and as well as the financial benefits, the service will provide a much more home-like and supportive environment for young people.

Another initiative currently being introduced is a training flat for care leavers. This is rental accommodation where a care leaver can live for a period of 6-12 months. The young person can receive support and develop the necessary skills required to live independently. They will then be assessed as to their ability to move on to gain their own tenancy. Accommodating care leavers in this way not only ensures that they are fully prepared for managing their own tenancies, but is also a much less expensive option than regular care leaver accommodation.

Independent Fostering Agency (IFA) expenditure is under the budgeted spend by £0.276m. This is a direct result of the work carried out by the consultants working with the fostering team as stated earlier in the report. The number of young people in an IFA placement is continuing to reduce with a direct correlation to the successful recruitment and retention of in-house fostering provision. Over the last year there has been a significant growth of children placed in-house; in April 19 there were 110 and in December 20 it was 153. The children placed in IFA provision has reduced from 73 in April 19 to 52 in March 21.

This has understandably impacted on the costs of in-house fostering provision which is £0.181m above budget at the end of the financial year. However, IFA provision is approximately £505 per week (£26k per year) more expensive than in-house provision.

The graphs below illustrate the numbers in placement and the associated costs:



Expenditure relating to In House Adoption is £0.035m above budget and mainly relates to the quarterly costs of the Regional Adoption Agency – Together for Adoption. Halton contributes 15% of the costs each year to this shared service, which amounted to £0.143m for this in 2020/21. A number of unfilled staffing vacancies within the adoption service reduced the overspend for this financial year, but these costs will continue to be a budget pressure for the council as there is no funding to support it.

The Early Years net divisional expenditure is £0.088m over budget at the end of the year. This amount would have been greater, but COVID funding of £0.259m to offset losses of parental fees income due to the inability of children to attend nursery has improved the final outturn figure. The underachievement of parental income will continue to be a budget pressure due to income targets based upon the Early Years provision having full occupancy levels. Fees increased by £1 per day in the last financial year in an attempt to alleviate budget pressures, but currently there is no possibility that they will become self-sustaining and will therefore

continue to be a significant budget pressure going forwards. It is probable that the effects of the global pandemic will be long lasting and have a significantly detrimental effect on the already strained financial position of the Early Years provision for the foreseeable future.

Total income was £0.084m under budget, primarily due to a £0.053m income generation target for the new Leaving Care provision on the Inglefield site. This is a four bedroom accommodation with the potential to rent one bedroom to other Local Authorities. However, this was not able to open as planned within the last financial year so no income was received.

COVID costs for the Children and Families Department were £1.566m, with income losses calculated at £0.262m.

Employee costs relate to agency social work staff who have been employed to assist with the added pressures of COVID as current Social Work teams already have a large number of vacancies. This includes costs for the Duty and Assessment team previously mentioned in the report who are dealing with the significant increase in referrals as a result of the pandemic.

The majority of COVID costs relate to Out of Borough Residential care. These costs include:

- Additional support provided to young people in residential settings to enable them to cope with the current crisis and the lockdown conditions
- The additional costs of accommodating young people in higher cost placements due to the restrictions brought on by the lockdown period and the limited number of placements available.
- The additional costs incurred due to the inability to transition children from residential care into leaving care placements due to the lockdown restrictions.
- The costs of post-18 residential provision for those young people who are unable to transfer to independent living due to the reduced availability of accommodation resulting from the pandemic.