

CHILDREN & FAMILIES DEPARTMENT

Revenue Budget as at 30 June 2023

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	11,460	2,495	3,404	(909)	(2,902)
Other Premises	476	124	108	16	58
Supplies & Services	1,084	214	406	(192)	(869)
Transport	113	8	47	(39)	(195)
Direct Payments	1,016	246	243	3	11
Commissioned services to Vol Orgs	224	56	52	4	15
Residential Care	13,505	1,402	2,036	(634)	(2,602)
Out of Borough Adoption	30	8	0	8	30
Out of Borough Fostering	3,050	298	460	(162)	(681)
In House Adoption	461	25	27	(2)	(11)
Special Guardianship Order	2,221	513	554	(41)	(193)
In House Foster Carer Placements	2,670	611	639	(28)	(73)
Lavender House	230	36	36	0	0
Home Support & Respite	340	85	81	4	25
Care Leavers	256	60	65	(5)	(22)
Family Support	53	13	7	6	31
Contracted services	3	1	1	0	0
Early Years	275	117	145	(28)	(97)
Emergency Duty	124	0	0	0	(60)
Youth Offending Services	255	0	0	0	(85)
Total Expenditure	37,846	6,312	8,311	(1,999)	(7,620)
Income					
Fees & Charges	-31	-1	0	(1)	(4)
Sales Income	-4	-1	-1	0	(3)
Rents	-76	-16	-15	(1)	(4)
Reimbursement & other Grant Income	-539	-97	-41	(56)	(248)
Transfer from reserve	-47	-47	-47	0	0
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-7,556	-1,881	-1,881	0	0
Total Income	-8,303	-2,043	-1,985	(58)	(259)
Net Operational Expenditure	29,543	4,269	6,326	(2,057)	(7,879)
Recharges					
Premises Support	339	85	85	0	0
Transport Support	15	3	3	0	0
Central Support	3,290	822	822	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-1,124	-281	-281	0	0
Net Total Recharges	2,520	629	629	0	0
Net Departmental Expenditure	32,063	4,898	6,955	(2,057)	(7,879)

The net departmental expenditure is £2.057m over budget at the end of the first quarter of the financial year, with the majority directly relating to Social Care Services. Additional growth budget was provided in 23/24 of £6.054m, with the majority £4,052m allocated to residential care placements. A savings target of £0.058m leaves a net growth increase of £5.997m.

The longer term position through to 31 March 2024 forecasts that the department net spend will be £7.879m over the approved budget.

Employee costs are £0.909m above budget at the end of Quarter 1. A continued heavy reliance on long term agency staff to fill Social Worker, Practice Lead and Divisional Manager vacancies is the cause of this overspend, along with a number of agency staff appointed over and above the budgeted establishment structure. Social worker recruitment is proving difficult due to an extremely competitive market and highly inflated agency payment rates. Spend on agency staff at the end of Quarter 1 is £1.365m or 55% of employee budget to date.

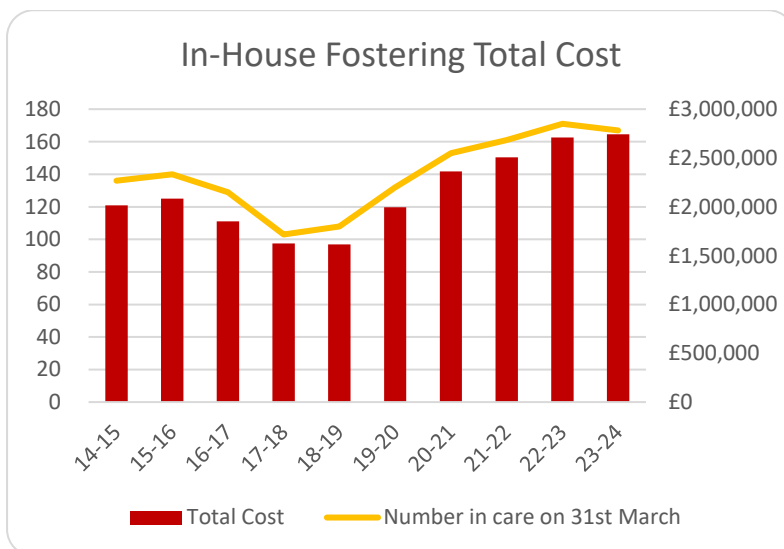
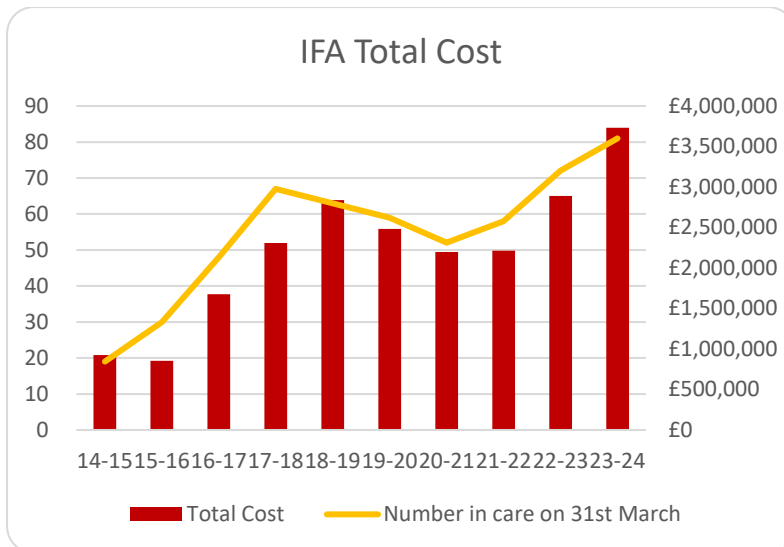
The final outturn for employee costs is expected to be £2.902m over the approved budget. There are various workstreams currently in place to target the difficulties in recruitment and reduce the volume of agency staff, including a new Local Offer for employees offering recruitment and retention payments for those working in children's social care. It is hoped that these will be able to reduce the spend on employees throughout the year, however a significant overspend is still to be expected.

Within the employee forecast spend through to the end of year an element has been included for the 2023/24 pay deal (yet to be agreed) based on latest available information. The forecast also assumes there will be reduced reliance on agency staff as the year progresses and take-up of the recruitment and retention scheme takes effect.

Transport costs are currently £0.039m over the approved budget with an anticipated outturn of £0.195m over budget. The majority of these costs relate to the contracted transport of young people to their education provision. These costs can fluctuate in year dependent on the placements made, but transport costs and proximity to education are considered when arranging placements for young people.

Supplies and Services expenditure is £0.192m above budget at the end of Quarter 1 with a forecast outturn of £0.869m. Additional growth was provided of £0.314k to cover the increase in court costs and related legal spend. However, supplies and services usage is diverse and high levels of spend relating to a number of areas including nursery fees, translation costs, equipment and travel are adding pressure to this budget. Consultancy costs also contribute largely to this overspend and are expected to be £0.166m over budget at the end of the financial year. The majority of these costs relate to the continuing work undertaken in relation to the in-house fostering project which has worked to develop the in-house fostering service and increase capacity over the last few years.

Although in-house provision has increased enabling more young people to be accommodated in house, recruitment has slowed lately which is consistent with the market in general. Increasing numbers of children in care and insufficient in-house fostering provision has meant increased reliance on Independent Fostering Agencies (IFA's). Higher numbers of children placed within IFA provision and increased IFA rates has resulted in an outturn forecast overspend of £0.681m with spend in this area expected to be around £0.840m more than 22-23.



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 rise year on year. This budget was given an additional growth of £4.052m for this financial year to alleviate the pressure, however residential care is £0.634m overspent at the end of Quarter 1 with an anticipated outturn of £2.602m over budget at the end of the year. Overall it is estimated spend for residential placements will be £1.290m higher than in 22/23.

The main reason for such a high increase in spend can be attributed more to the rise in costs of individual packages rather than an increase in numbers in care, for example there are currently six children in packages costing over £9k per week. The table below illustrates the trend towards numbers of children accommodated in higher cost packages with the numbers in lower priced packages reducing.

Residential Care

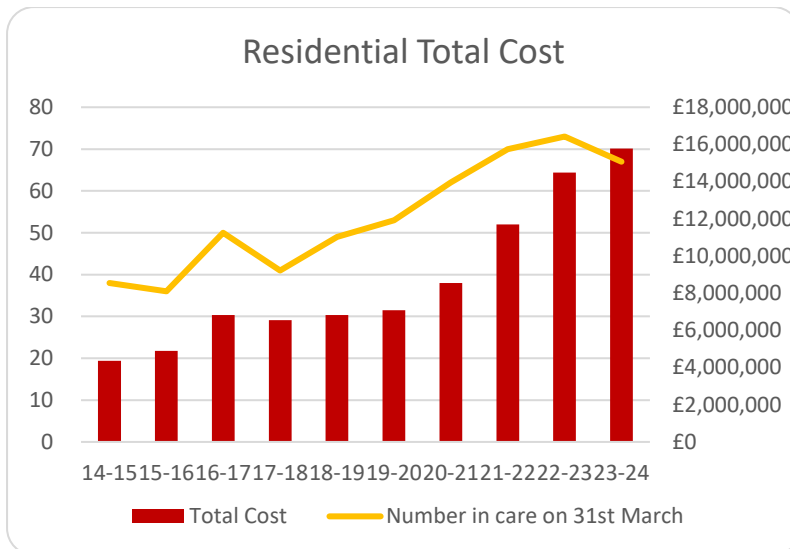
Provision	Weekly Costs	30th June 2023		31st March 2023	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	6	876,000	6	429,036
Residential	£3001 - £4000	7	1,306,075	9	2,169,293
Residential	£4001 - £5000	9	1,942,736	12	2,809,768
Residential	£5001 - £13720	24	8,946,076	21	5,655,316
Secure	£6397 - £8137	0	0	1	379,458
Leaving Care	£443 - £8225	17	2,175,930	17	2,265,326
Parent & Child	£2000 - £5500	4	530,234	7	779,282
Total:		67	15,777,052	73	14,487,478

The number of Unaccompanied Asylum-Seeking Children (UASC) currently placed in care remains high but stable. Home Office funding has been agreed for the vast majority of UASC placed in our care, however it is currently not sufficient to cover the costs of the UASC accommodated, with a shortfall of £0.103m. This is due to a large population of UASC reaching 18, an age when the funding for UASC reduces from £1,001 per week to just £270. It is expected that UASC move onto their own tenancy once they have been granted leave to remain, however a shortage of available properties unfortunately means that they remain in placement longer at a cost to the authority. In this situation however, placement costs do reduce as once leave to remain is granted, housing benefit can be accessed which can be offset against the costs of the placement. It is expected that this will cause the shortfall of funding to reduce, however it is not possible to predict which placements this will affect and so forecasts are made based on current placements costs in order to maintain a prudent approach.

UASC Residential Care

Provision	Weekly Costs	30th June 2023		31st March 2023	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
UASC	£300-£500	53	815,543	52	814,771
UASC	£500-£5000	3	500,964	3	654,411
Total:		56	1,316,508	55	1,469,182

The graph below illustrates the rising costs of Residential Care, for consistency this does not include the costs of UASC as these costs were not included previous years.



Residential Care continues to be a persistent pressure on the budget. The numbers of young people in residential placements remains high and the cost of placements is rising significantly. This is a national issue and market factors such as low supply and high demand have resulted in the costs of residential care packages rising significantly over the last year, meaning that the level of spend is unsustainable at the current rate.

The High Costs Placements Panel is working to reduce these costs and has so far avoided additional costs of £1.141m by the timely transfer of placements to lower priced Leaving Care packages, reducing additional support packages where possible, and reunification of young people with their families where appropriate. The High Costs Panel continues to meet regularly with the aim of reducing the costs of placements whilst still ensuring the needs of the young people placed are met. It is hoped that this continued scrutiny will bring down the current projected costs of residential placements, but the costs will remain high and continue to be a considerable pressure on the budget.

Work is continuing to identify those children able to step down from residential care. IFA events take place on a regular basis, where young people suitable for fostering are considered for placements with available IFA families. However, this is proving difficult and is highly dependent on the needs of the young people in care and the ability to match them with a suitable foster family.

Work is ongoing to provide alternative placement types where possible for care leavers in order to mitigate some of the rising costs:

The new in-house Supported Lodgings service is working well and still recruiting for carers, with four young people now placed. The costs of this service are 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.

There are currently two training flats for care leavers which are occupied with support packages in place. There are plans to increase the number of training flats available to be able to accommodate care leavers in-house at a lower cost than current leaver care provision.

The Care Leaver provision Lavender House, a four-bedroom property has two young people currently accommodated and a further two young people identified who will be placed in the near future.

In House Fostering is £0.028m over budget with an expected outturn of £0.073m over budget. Growth of £0.268m was added which has reduced pressure in this area, but a consistently high number of young people placed means there is still pressure on this budget. Work continues to recruit and retain Halton's In-house foster carers, along with training to develop carers enabling them to accommodate more specialist placements and support and mentor each other. This therefore means that costs could increase further still. However, the ability to accommodate young people within in-house provision provides a substantial saving in comparison to IFA or residential care.

Special Guardianship Order (SGO) costs are currently £0.041m over budget at the end of Quarter 1, with an expected outturn of £0.193m over budget. Growth of £0.340m was added to this budget, but the increasing number of young people placed under an SGO and an uplift in the payment rates means that it still remains a significant pressure. These are long term placements for young people, where the carers are granted parental responsibility for the young person in their care. This is a positive outcome for the young person as these are stable placements and the children are no longer classed as a 'child in care'. They are also less expensive than other placements so they are financially beneficial too.

The Early Years net divisional expenditure is £0.028m over budget at the end of the Quarter 1, with a forecast outturn of £0.097m over budget. This is due to the underachievement of parental income due to income targets being based upon the Early Years provision having high occupancy levels. As there is no possibility that they could become self-sustaining and would therefore continue to be a significant budget pressure going forwards into future years, a decision has been made to close the Early Years Centres from August 2023. Therefore they will present no further pressure on the budget moving forwards.

Income levels are £0.058m under the budgeted target at the end of Quarter 1 with an estimated outturn of £0.259m under budgeted targets. This is due to income targets for those residential care packages joint funded with health not being met in year. Those young people previously eligible for joint funding have now turned 18 and therefore are no longer accommodated within children's. There is also an income generation target for the Leaving Care provision, Lavender House. Due to high demand from our own care leaver numbers, there are no plans as yet to rent one of these bedrooms out to a neighbouring authority and therefore this income target is unlikely to be met.





Overall the financial picture for the Children and Families Department continues to be one of serious concern. The main issues relate to the difficulty in the recruitment of Social Workers and the subsequent extortionate agency costs, along with the spiralling costs of residential placements. This has been an ongoing problem for a number of years. Urgent action to reduce these costs should now be taken as a priority as this level of spend cannot be sustained without resulting in significant financial harm to the Local Authority.

Approved 2023/24 Savings

Please see Appendix A for details of progress towards achieving budget efficiency savings agreed by Council in February 2023.

CHILDREN AND FAMILIES DEPARTMENT

APPENDIX A

Ref.	Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value			Current Progress	Comments
				23/24 £'000	24/25 £'000	25/26 £'000		
C1	Ditton and Warrington Road Daycare Centres	52	Closure of Ditton and Warrington Road daycare centres, given the significant on-going net losses at both centres. Sufficient alternative provision exists nearby, as well as in the adjoining nursery schools.	26	26	0		The daycare centres will be closing in August 23. The centres will continue to be overspent in 23-24, however the savings should be realised in 24/25.
C2	Children's Centres	1,293	Reduce the opening hours of Children's Centres.	12	0	0		Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
			Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	0	0	22		Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
			Target to generate at least 5% additional income by increasing a range of charges at Children's Centres.	20	0	0		Initial indicators suggest saving likely to be made, but awaiting further clarification from Divisional Manager

C3	Children with Disabilities and Inglefield	858	Explore the potential for selling Inglefield and then purchase two bungalows within the community to provide a more appropriate setting.	0	112	0	U	Initial indicators suggest saving unlikely to be made, but awaiting further clarification from Divisional Manager
Total Children & Families Department				58	138	22		