

CHILDREN & FAMILIES DEPARTMENT**Revenue Budget as at 30 November 2024**

	Annual Budget £'000	Budget to Date £'000	Actual Spend £'000	Variance (Overspend) £'000	Forecast Outturn £'000
Expenditure					
Employees	15,544	9,828	11,607	(1,779)	(2,618)
Other Premises	415	199	227	(28)	(24)
Supplies & Services	1,725	1,612	1,966	(354)	(589)
Transport	360	210	176	34	44
Direct Payments	1,097	701	827	(126)	(206)
Commissioned services to Vol Orgs	224	134	134	0	0
Residential Care	17,727	9,509	14,895	(5,386)	(7,194)
Out of Borough Adoption	96	48	0	48	96
Out of Borough Fostering	4,253	2,336	3,051	(715)	(955)
In House Adoption	548	304	253	51	63
Special Guardianship Order	2,510	1,577	1,617	(40)	(59)
In House Foster Carer Placements	2,739	1,738	1,532	206	310
Lavender House Contract Costs	234	141	128	13	15
Home Support & Respite	340	177	224	(47)	(73)
Care Leavers	248	215	295	(80)	(130)
Family Support	53	27	39	(12)	(18)
Contracted services	3	2	2	0	0
Early Years	0	0	0	0	0
Emergency Duty	132	37	72	(35)	(51)
Youth Offending Services	321	124	169	(45)	(73)
Transfer to Reserves	8	0	0	0	0
Total Expenditure	48,577	28,919	37,214	(8,295)	(11,462)
Income					
Fees & Charges	-33	-9	0	(9)	(12)
Sales Income	-4	-3	0	(3)	(5)
Rents	-81	-41	-37	(4)	0
Reimbursement & other Grant Income	-787	-598	-506	(92)	(137)
Transfer from reserve	-82	-82	-82	0	0
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-10,528	-8,189	-8,143	(46)	(86)
Total Income	-11,565	-8,922	-8,768	(154)	(240)
Net Operational Expenditure	37,012	19,997	28,446	(8,449)	(11,702)
Recharges					
Premises Support	398	266	266	0	0
Transport	16	11	11	0	0
Central Support Recharges	2,274	1,516	1,516	0	0
Asset Rental Support	0	0	0	0	0
Internal Recharge Income	-955	-637	-637	0	0
Net Total Recharges	1,733	1,156	1,156	0	0
Net Departmental Expenditure	38,745	21,153	29,602	(8,449)	(11,702)

Financial Position

The net departmental expenditure is estimated to be over budget profile at the end of financial year 2024/25 by £11.702m with the majority relating to Social Care Services.

Growth budget of £6.079m has been provided to support pressured areas for financial year 2024/25 but unfortunately this has not been sufficient to support the increasing spend across the service.

The overall forecast financial position at the end of 2024/25 has reduced by £0.631m since last reported at 30 September 2024.

Significant investment as part of a Children's Social Care improvement plan and redesign of the service has been provided to support the improvement journey. Although, there has been a reduction in forecast overspend, it's important to focus on that the level of spend across the service remains a similar level. The reduction in overspend is due to the increased funding that has been provided as well as some reductions in other areas.

The Children's and Families Department forecast overspend is still an area of serious concern and the issues remain the same. 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.

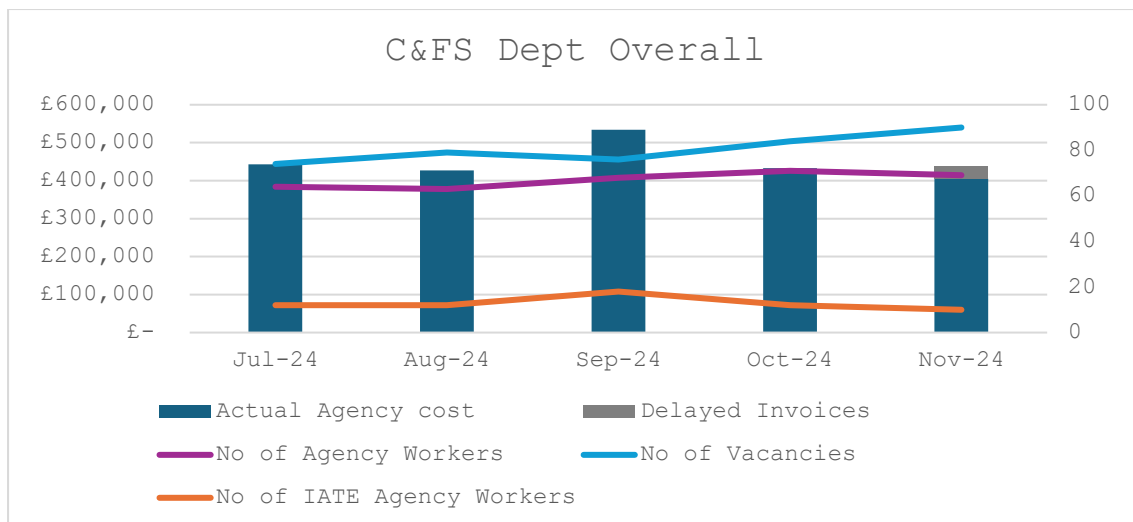
Please see below for further details

Employee Expenditure

Employee costs are forecast to be over budget profile at the end of financial year 2024/25 by £2.618M this is a reduction of £0.438m based on information available at 30 September 2024 when last reported.

The reduction mainly relates to an agreed investment within children's services which has resulted in the establishment of 33 new roles across the department. Agency staff that were previously in addition to the establishment (IATE) are no longer considered as IATE. Additional in-year budget of £0.370m (funded from contingency) has been provided for some of the newly established posts which has helped reduce the overspend position.

The chart below demonstrates agency cost that cover the month of April to November based on the period that was worked, the number of agency members of staff where an invoice has been received for within each period, the number of vacancies across the department and the number of staff that are currently in addition to the establishment (IATE).



The chart above shows the level of agency spend has remained consistent throughout with a peak in September due to this being a 5 weekend month. The number of agency has reduced slightly which has helped reduce the employee forecast position.

Agency spend forecast across the department is expected to remain high for financial year 2024/25, at 30 November 2024 agency spend was £3.655m

Various workstreams are in place to target the difficulties in recruitment, including a recruitment work group, social work academy and market supplements for applicable posts.

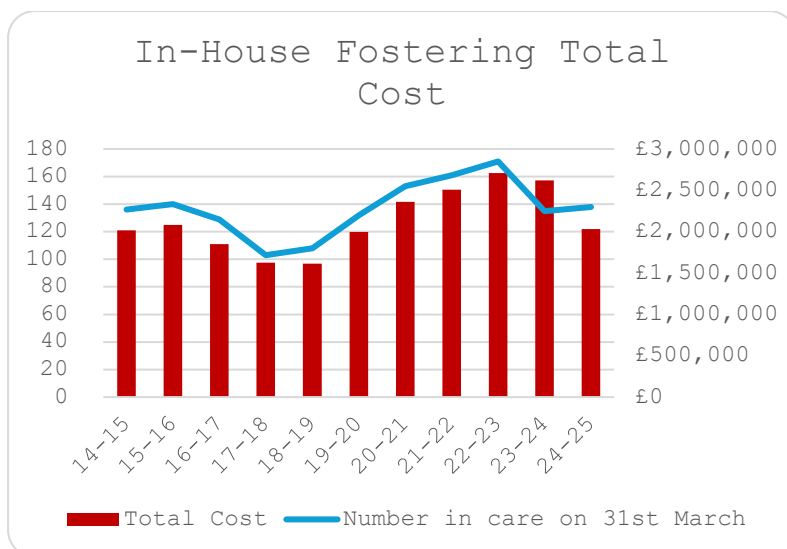
One area of concern relates to the number of staff that remain in addition to the establishment (IATE). These are agency staff that are currently not allocated to an established role within their respective team. This figure currently stands at 10 across the service. Work should now be undertaken to reduce the level of staff that are in addition to the establishment if they do not form part of the redesign improvement plan.

Supplies and Services

Supplies and services expenditure is forecast to be £0.589m over budget profile at the end of financial year. Supplies and services is diverse and covers a number of areas including nursery fees, consultancy, translation costs, equipment and support provided to young people.

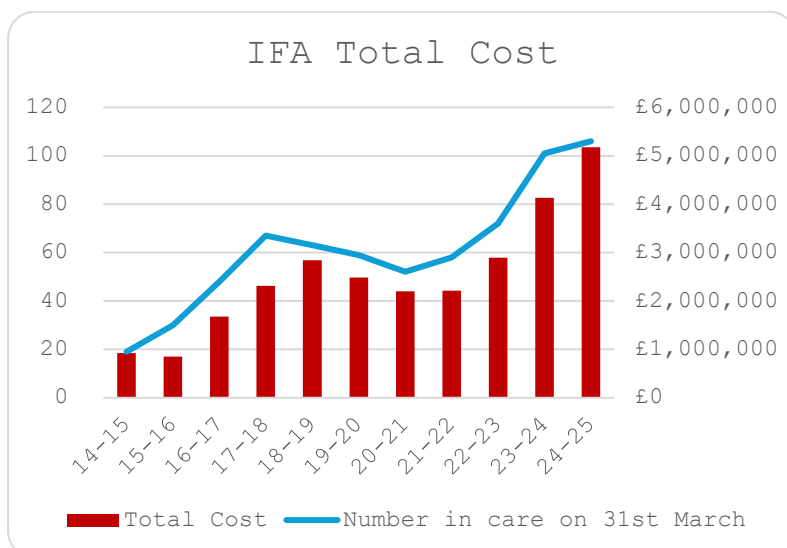
Fostering

Inhouse fostering placements is estimated to be £0.310m under budget profile for financial year 2024/25. Inhouse fostering budgets were increased to support the budget pressure in this area.



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. However, the ability to accommodate young people within in-house provision provides a substantial saving in comparison to Independent Fostering Agency (IFA) or residential care.

Increasing numbers of children in care and insufficient in-house fostering provision has meant increased reliance on IFA. Higher numbers of children placed within IFA provision and increased IFA rates has resulted in an estimated forecast overspend for the end of 2024/25 as £0.955M



Special Guardianship Order

Special Guardianship Order (SGO) at the end of financial year 2024/25 is estimated to be over budget profile by £0.590m

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.

Residential Care

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. The numbers of young people in residential placements remains high and the cost of placements is rising significantly year-on year.

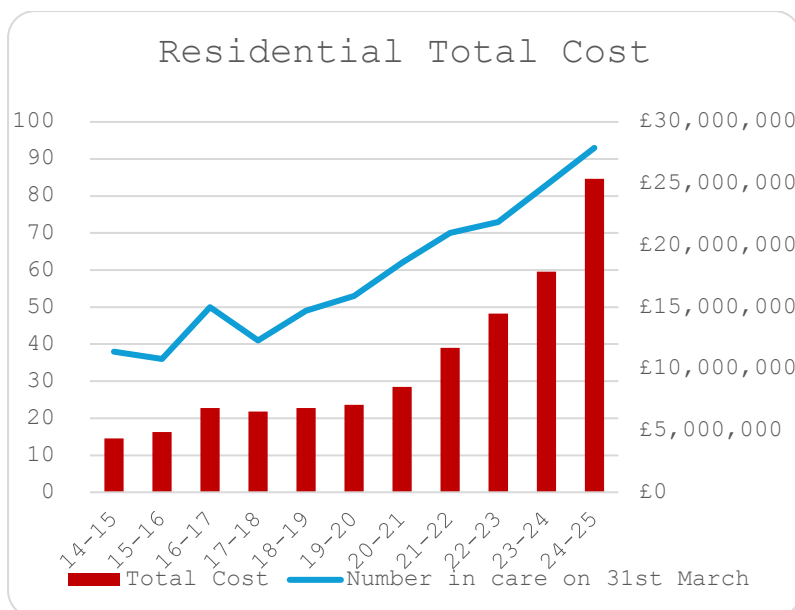
Provision	Weekly Costs	30-Nov-24		30-Sep-24	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£1000 - £3000	4	476,360	3	425,275
Residential	£3001 - £5000	25	4,956,870	26	5,642,774
Residential	£5001 - £7000	26	7,413,389	27	7,989,196
Residential	£7001 - £15982	17	9,291,964	14	8,215,999
Secure	£6397 - £8137				
Leaving Care	£443 - £7175	14	2,341,056	18	2,643,101
Parent & Child	£2000 - £5500	7	913,562	6	715,298
Total:		93	25,393,201	94	25,631,643

At the end of financial year 24/25 the estimated overspend is £7.194m over budget for residential placements this has reduced by £0.200m since last reported.

Overall cost of packages are increasing due to the complexity of support the young people require as well as standard package cost increases. 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.

A number of initiatives are taking place to try and address the issue including a High Cost Placement Panel where high cost packages are individually scrutinized to ensure the placement is the right for the young person and at the best available cost for the placement.

The graph below illustrates the rising costs of Residential Care, for consistency this does not include the costs of Unaccompanied Asylum-Seeking Children (UASC) as these costs were not included previous years.



UASC Residential Care

The number of Unaccompanied Asylum-Seeking Children (UASC) currently placed in care has remained steady.

Funding for financial year 23/24 has now been paid by the Home Office for both UASC and Leaving Care. Funding for 24/25 is yet to be agreed but we are hopeful this will be confirmed in the coming months.

Provision	Weekly Costs	30-Nov-24		30-Sep-24	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
UASC	£300-£500	30	408,078	36	460,218
UASC	£500-£5000	21	768,754	21	785,402
Total:		51	1,176,832	57	1,245,619

Income

Income is forecast to be underachieving at the end of financial year 2024/25 by £0.240m, The underachievement relates to Social Work Academy funding not meeting the original expected levels and the number of NHS joint funded packages reducing.