

## **CHILDREN & FAMILIES DEPARTMENT**

### **Revenue Budget as at 31 May 2025**

	Annual Budget	Budget to Date	Actual Spend	Variance (Overspend)	Forecast Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Employees	19,364	2,808	3,029	(221)	(1,449)
Other Premises	392	92	97	(5)	(39)
Supplies & Services	1,592	0	94	(94)	(1,057)
Transport	367	49	19	30	180
Direct Payments	1,220	261	245	16	94
Commissioned services to Vol Orgs	224	168	168	0	0
Residential Care	27,517	2,130	2,238	(108)	38
Out of Borough Adoption	97	0	0	0	97
Out of Borough Fostering	5,469	248	399	(151)	(785)
In House Adoption	557	24	20	4	22
Special Guardianship Order	2,604	346	323	23	130
In House Foster Carer Placements	2,766	371	283	88	515
Lavender House Contract Costs	279	24	23	1	4
Home Support & Respite	494	67	63	4	25
Care Leavers	434	37	39	(2)	(10)
Family Support	81	10	7	3	15
Contracted services	3	1	1	0	(1)
Emergency Duty	184	0	0	0	0
Youth Offending Services	461	0	0	0	0
Transfer to Reserves	0	0	0	0	0
<b>Total Expenditure</b>	<b>64,105</b>	<b>6,636</b>	<b>7,048</b>	<b>(412)</b>	<b>(2,221)</b>
<b>Income</b>					
Fees & Charges	-33	-9	-7	(2)	(14)
Sales Income	0	0	0	0	0
Rents	-82	0	0	0	0
Reimbursement & other Grant Income	-486	-52	-27	(25)	(153)
Transfer from reserve	-15	0	0	0	1
Dedicated Schools Grant	-50	0	0	0	0
Government Grants	-13,477	-2,293	-2,293	0	0
<b>Total Income</b>	<b>-14,143</b>	<b>-2,354</b>	<b>-2,327</b>	<b>(27)</b>	<b>(166)</b>
<b>Net Operational Expenditure</b>	<b>49,962</b>	<b>4,282</b>	<b>4,721</b>	<b>(439)</b>	<b>(2,387)</b>
<b>Recharges</b>					
Premises Support	736	123	123	0	0
Transport	10	2	2	0	0
Central Support	3,331	555	555	0	0
Asset Rental Support	0	0	0	0	0
HBC Support Costs Income	-136	-23	-23	0	0
<b>Net Total Recharges</b>	<b>3,941</b>	<b>657</b>	<b>657</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>53,903</b>	<b>4,939</b>	<b>5,378</b>	<b>(439)</b>	<b>(2,387)</b>

## **Financial Position**

The net departmental expenditure is estimated to be over budget profile at the end of financial year 2025/26 by £2.387m with the majority relating to Social Care Services.

Growth budget of £12.1m and £3.9m of Children's Improvement Fund has been provided to the Children's and Families Department for financial year 2025/26. Unfortunately, this has not been sufficient to support the increasing costs across the service.

Although initial forecasts for financial year 2025/26 are showing a reduction in overspend of £6.047 compared to 2024/25 outturn, it's important to remember that this is due to the increase in budget not the level of expenditure reducing in the service.

The Children's and Families Department remains 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.

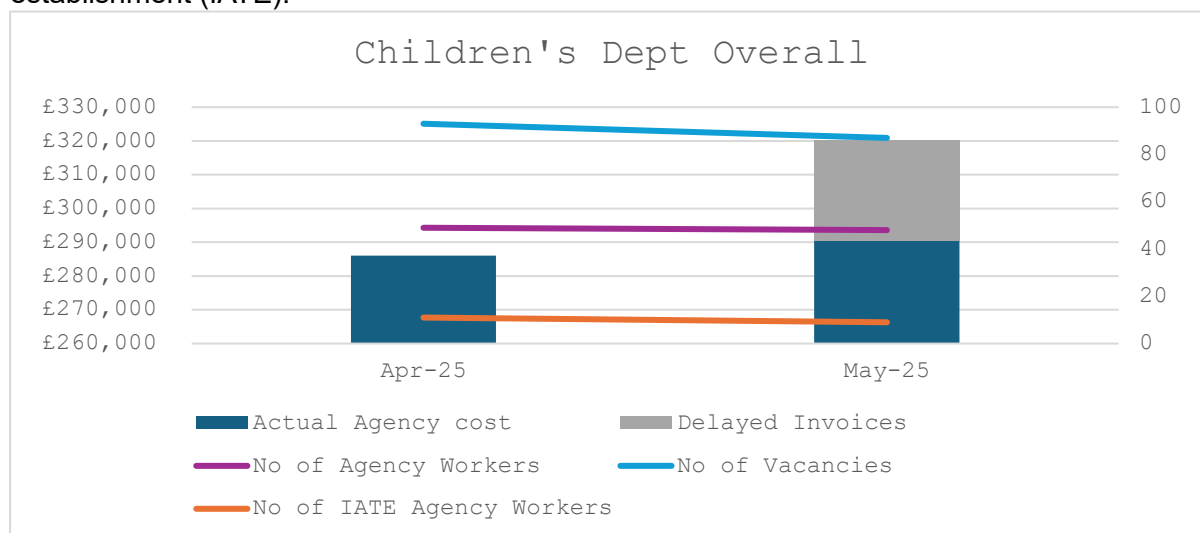
## **Employee Expenditure**

Employee costs are forecast to be over budget profile by the end of financial year 2025/26 by £1.449m this is a similar level compared to the outturn for financial year 2024/25.

The forecast overspend largely relates to the difficulty in recruitment across the service. A number of successful initiatives have helped support the recruitment including Social Work Academy and market supplements.

The level of agency has consistently reduced since October 2024 and is due to agency staff converting to Halton BC employees, external recruitment and the employment of newly qualified Social Workers. The expectation is that agency will continue to reduce throughout the remainder of the year. Forecasts will be updated as and when we are aware of these changes.

The chart below demonstrates agency costs that cover April and May 2025, the number of agency staff that the Council have received an invoice 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).



Agency spend across the department remains high with spend totalling £0.574m.

One area of concern relates to the number of staff that remain in addition to the establishment (IATE). These are staff that are currently not allocated to an established role within their respective team. This figure currently stands at 9 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**

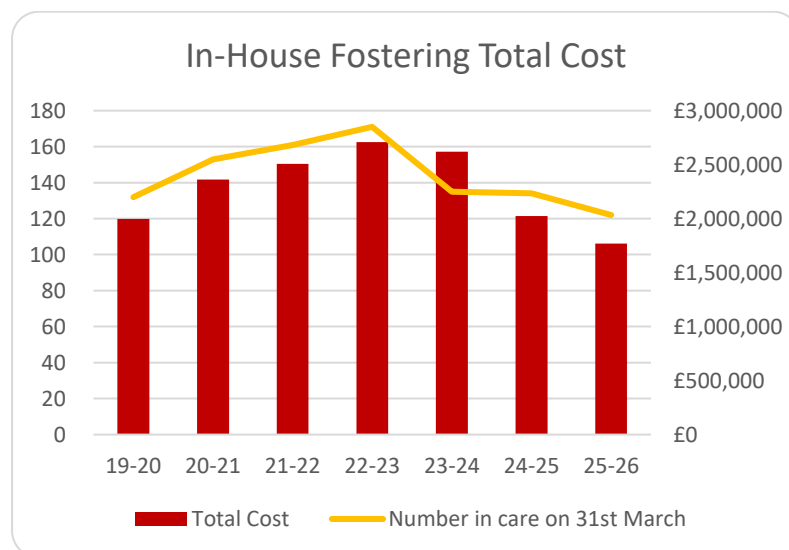
Supplies and services expenditure is forecast to be £1.057m over budget profile at the end of the financial year. Supplies and Services is diverse and covers a number of areas including nursery fees, consultancy, translation costs, equipment and support provided to young people.

A number of initiatives are being looked into to target specific areas of spend within supplies and services.

The creation of the Edge of Care and Family Time Teams should support the reduction of Supplies and Services expenditure. There is hope that particular tasks will no longer need to be outsourced which could result in the reduction in supplies and service.

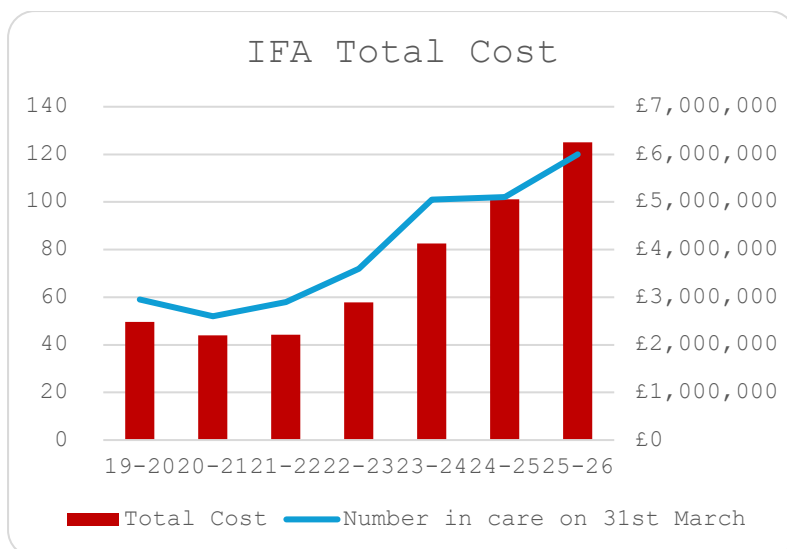
### **Fostering**

Inhouse fostering placements is estimated to be £0.515m under budget profile for financial year 2025/26.



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. 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 Independent Fostering Agencies (IFA). Higher numbers of children placed within IFA provision and increased IFA rates has resulted in an estimated forecast overspend for the end of 2025/26 as £0.785m



### **Special Guardianship Order**

Special Guardianship Order (SGO) at the end of financial year 2025/26 is estimated to be under budget profile by £0.130m

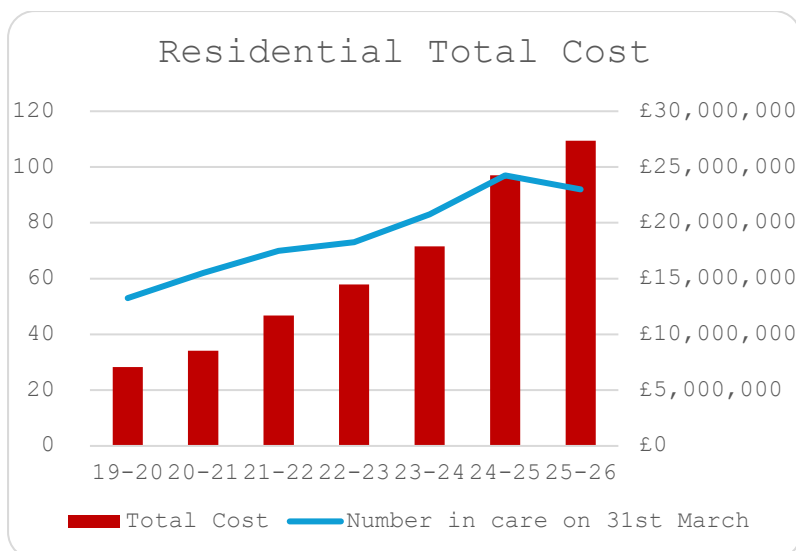
These are long term placements for young people, where the carers are granted parental responsibility for the young person in their care. This is a positive outcome for the young person as these are stable placements and the children are no longer classed as a 'child in care'. They are also less expensive than other placements so they are financially beneficial too.

### **Residential Care**

Out of Borough Residential Care continues to be a budget pressure for the Children and Families Department as the costs of residential care have continue 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.

Residential care costs are forecast to be under budget profile by £0.038m although this is a significant reduction of £5.994m overspend compared to financial 2024/25, it's important to note that residential care budgets have been increased by more than £10m. The level of forecast expenditure for residential care is £1.8m higher than the outturn spend for 2024/25.

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.



The table below demonstrates the number of children that we are forecasting to be in care at 31 March 26.

Provision	Weekly Costs	31-May-25	
		No. Placed	Estimated cost for the year
Residential	£1000 - £3000	2	257,700
Residential	£3001 - £5000	31	6,964,965
Residential	£5001 - £7000	15	4,890,911
Residential	£7001 - £15982	21	11,840,618
Secure	£6397 - £8137	1	353,687
Leaving Care	£443 - £7175	16	2,366,827
Parent & Child	£2000 - £5500	6	693,682
<b>Total:</b>		<b>92</b>	<b>27,368,390</b>

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 right for the young person and at the best available cost for the placement.

### **UASC Residential Care**

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

Funding for 2025/26 for UASC and Leaving care is yet to be agreed but should hopefully be agreed in the next few months.

		31-May-25	
Provision	Weekly Costs	No. Placed	Estimated cost for the year
UASC	£300-£500	24	346,199
UASC	£500-£5000	21	858,810
Total:		45	1,205,009



## **Income**

Children and Families are forecast to underachieve on income for financial year 2025/26 by £0.165m. The underachievement relates to the reduction in joint funded packages care packages with NHS.

## **2025/26 Approved Savings**

£1.922m of approved savings have been included in the departmental budget for 2025/26, details of those savings are included at Appendix A.

**Approved 2024/25 Savings****Appendix A**

Service Area	Net Budget £'000	Description of Saving Proposal	Savings Value		Current Progress	Comments
			25/26 Agreed Council 01 February 2023 £'000	25/26 Agreed Council 05 March 2025 £'000		
Children's Centres	1,293	Review the operation of Windmill Hill Children's Centre, where there is the potential to save on premises and staffing costs.	22	0		With the implementation of the family hubs the review of windmill hill will no longer be viable. The centre is located in an area of deprivation and the role of the centre as a family hub is a priority in the Children's social care review and supporting families at an earlier level, improving access to services for the most vulnerable and ensure a positive start for all children. These priorities fit with the council priorities
Children's Residential Care		Residential Placements – continuation of the work being undertaken to review residential placements, especially high cost placements, and identify opportunities to step-down placements or find alternatives, in order to reduce the current overspend and ongoing costs.	0	1,500		Residential placements were all reviewed in early 2024 with some reduction in costs established. As part of the longer term plan included in the sufficiency strategy, Halton has partnered with a not for profit organisation, Juno, who are awaiting registration from OFSTED - this approach is part of the LCR approach working with NFP organisations. In addition significant changes have been made to reduce the numbers of

						children coming into care. Mocking bird constellation is in place and evidenced support has resulted in appropriate transition so the need for residential is mitigated. A property has been identified for care leavers and further properties identified for additional semi-independent provisions. Juno will focus on their second home after July
Fostering		Independent Fostering Agencies and Out of Borough Fostering – continuation of the work being undertaken to review placements, to increase use of In-Borough foster carers wherever possible and thereby reduce costs, in order to reduce the current overspend and ongoing costs.	0	200	u	Recruitment campaign has been launched to attract in house foster carers so our reliance on IFA's is reduced. Unfortunately there is a national shortage of foster carers and as a result the reliance on IFA's continues
Legal Costs		Court Costs – implementation of measures in conjunction with Legal Services, to reduce the backlog and ongoing number of Children's cases going to court, thereby reducing the timescales involved and cost of court proceedings, in order to reduce the current overspend and ongoing costs.	0	200	u	Progress has been made on reducing the cost of court with success in reducing the number of applications, the reduction in timeliness of proceedings, further work is currently underway to reduce the number of C2 applications to court. PLO process is proving effective for some families in diverting away from legal proceedings and safely maintaining children with parents,



						further exploration is taking place on the use of in house psychologists to undertake assessments in the court arena to further reduce court costs
<b>Total Children &amp; Families Department</b>			<b>22</b>	<b>1,900</b>		

