

CHILDREN & FAMILIES DEPARTMENT

Revenue Budget as at 30th September 2021

| | Annual Budget £'000 | Budget to Date £'000 | Actual £'000 | Variance (Overspend) £'000 | Forecast Outturn £'000 |
|---------------------------------------|------------------------|-------------------------|-----------------|----------------------------------|------------------------------|
| Expenditure | | | | | |
| Employees | 9,539 | 4,620 | 4,723 | (103) | (222) |
| Premises | 270 | 120 | 89 | 31 | 52 |
| Supplies & Services | 784 | 275 | 483 | (208) | (417) |
| Transport | 113 | 37 | 39 | (2) | (7) |
| Direct Payments/Individual Budgets | 904 | 435 | 429 | 6 | 11 |
| Commissioned Services | 224 | 90 | 62 | 28 | 53 |
| Out of Borough Residential Placements | 7,682 | 2,668 | 4,590 | (1,922) | (4,045) |
| Out of Borough Adoption | 7 | 4 | 0 | 4 | 7 |
| Out of Borough Fostering | 2,375 | 997 | 1,066 | (69) | (173) |
| In House Adoption | 357 | 123 | 125 | (2) | (11) |
| Special Guardianship | 1,756 | 833 | 850 | (17) | (43) |
| In House Foster Carer Placements | 2,358 | 1,148 | 1,263 | (115) | (251) |
| Care Leavers | 292 | 135 | 89 | 46 | 103 |
| Family Support | 53 | 26 | 32 | (6) | (13) |
| Contracted Services | 3 | 1 | 1 | 0 | (1) |
| Early Years | 131 | 64 | 216 | (152) | (366) |
| Emergency Duty Team | 116 | 9 | 15 | (6) | (15) |
| Youth Offending Service | 251 | 64 | 62 | 2 | 4 |
| Total Expenditure | 27,215 | 11,649 | 14,134 | (2,485) | (5,334) |
| Income | | | | | |
| Fees & Charges | -30 | -7 | -4 | (3) | (5) |
| Sales Income | -4 | -2 | -1 | (1) | (2) |
| Rents | -42 | -14 | -18 | 4 | 6 |
| Reimbursements & Grant Income | -593 | -231 | -203 | (28) | (49) |
| Transfer from Reserves | -67 | -75 | -75 | 0 | 0 |
| Dedicated School Grant | -50 | 0 | 0 | 0 | 0 |
| Government Grant Income | -4,164 | -2,128 | -2,128 | 0 | 0 |
| Total Income | -4,950 | -2,457 | -2,429 | (28) | (50) |
| Net Operational Expenditure | 22,265 | 9,192 | 11,705 | (2,513) | (5,384) |

| | Annual Budget £'000 | Budget to Date £'000 | Actual £'000 | Variance (Overspend) £'000 | Forecast Outturn £'000 |
|---------------------------------------|------------------------|-------------------------|-----------------|-------------------------------|---------------------------|
| Covid Costs | | | | | |
| Employees | 0 | 0 | 246 | (246) | (288) |
| Supplies & Services | 0 | 0 | 13 | (13) | (23) |
| Transport | 0 | 0 | 0 | 0 | (1) |
| Commissioned Services | 0 | 0 | 23 | (23) | (46) |
| Out of Borough Residential Placements | 0 | 0 | 348 | (348) | (782) |
| In House Foster Carer Placements | 0 | 0 | 1 | (1) | (1) |
| Care Leavers | 0 | 0 | 2 | (2) | (9) |
| Family Support | 0 | 0 | 2 | (2) | (2) |
| Emergency Duty | 0 | 0 | 11 | (11) | (21) |
| PPE | 0 | 0 | 0 | 0 | (1) |
| Covid Loss of Income | | | | | |
| Nursery Parental Income | 0 | 0 | 0 | 0 | (1) |
| Government Grant Income | | | | | |
| Government Grant Income | 0 | 0 | -646 | 646 | 1,175 |
| Net Covid Expenditure | 0 | 0 | 0 | 0 | 0 |
| Recharges | | | | | |
| Premises Support | 139 | 69 | 69 | 0 | 0 |
| Transport Support | 19 | 9 | 9 | 0 | 0 |
| Central Support | 2,626 | 1,313 | 1,313 | 0 | 0 |
| Recharge Income | -124 | -142 | -142 | 0 | 0 |
| Net Total Recharges | 2,660 | 1,249 | 1,249 | 0 | 0 |
| Net Departmental Expenditure | 24,925 | 10,441 | 12,954 | (2,513) | (5,384) |

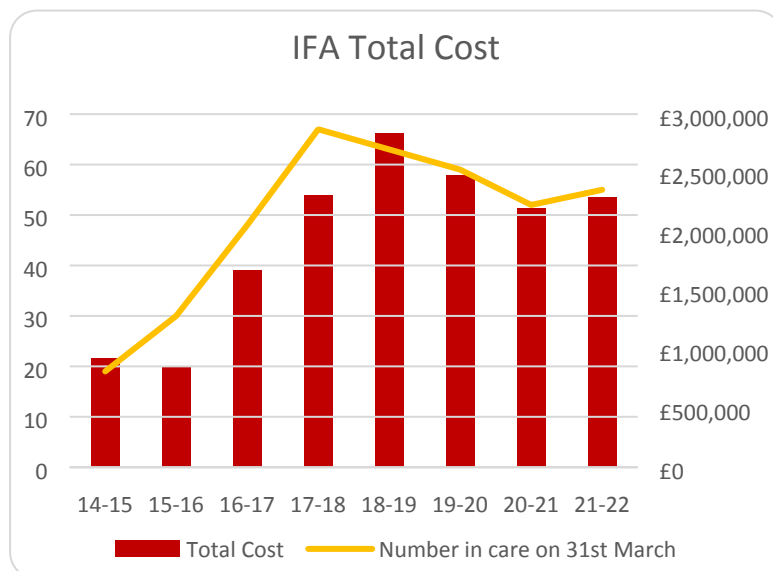
Comments on the above figures

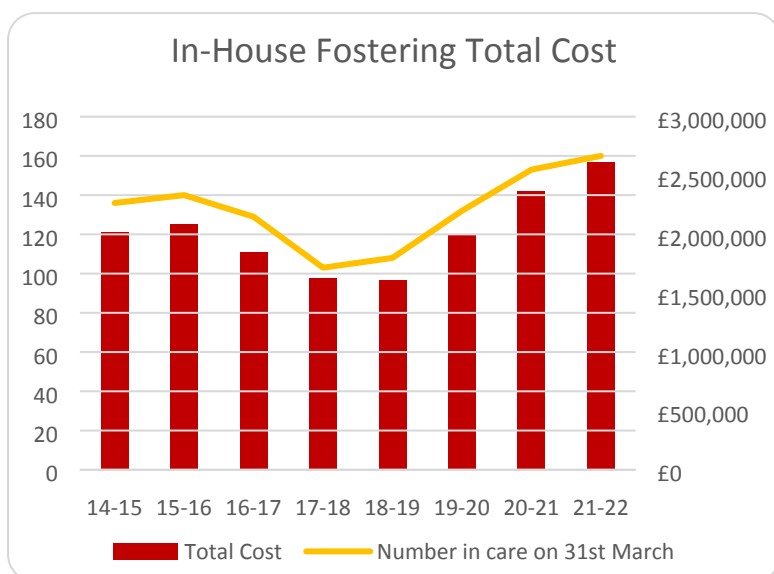
The net departmental expenditure is £2.513m above budget profile at the end of the second quarter of the financial year, with the majority directly relating to Social Care Services. Additional growth budget was provided in 21/22 of £0.628m for Residential Care Placements and £0.238m to fund additional staffing following the restructure within the Children in need Division. Agreed savings of £0.016m leave a net growth of £0.850m. The expected outturn position for the Children and Families Department is anticipated to be circa £5.384m over budget based on the current levels of service support. This compares to the department overspend against budget of £1.179m for the period ending 31 March 2021.

Employee costs are currently £0.103m above budget profile in the second quarter. There continues to be a number of vacant posts proving difficult to fill and so the use of agency staff has contributed to this overspend. Current spend in Quarter 2 for agency staff is £0.908m or 20% of employees budget to date. This includes spend for 40% of the costs of the agency Duty and Assessment team working within the Children in Need Division. Recruitment is underway to fill the current vacancies and also to recruit to the new Duty and Assessment Team, which is being introduced following the restructure of the Children In Need Division. It is anticipated that the use of agency staff should reduce in the second half of the financial year should the new team be successfully recruited to and current vacancies filled. At the end of this quarter, there is an unachieved staff turnover target of £0.184m and an unidentified efficiency saving of £0.243m. Action needs to be taken immediately to identify how these savings will be achieved to reduce further pressure on the budget.

Supplies and Services expenditure is £0.208m above budget profile at the end of Quarter 2. This overspend continues to be the result of high levels of expenditure against the Children in Care budget which includes many ongoing regular payments including children’s respite and therapy, nursery fees and translation costs. There are also a handful of home support packages, which have recently been introduced, that monitor and support parents in the home with a view to preventing children from entering care.

Consultancy costs also contribute largely to the overspend in supplies and services and are expected to be £0.201m over budget at the end of the financial year. The majority of these costs relate to the ongoing consultancy work currently undertaken in relation to in-house fostering. Whilst these costs are high, the success of the fostering project has resulted in a large increase in the number of in-house foster carers, enabling more children to be accommodated in-house rather than in high cost Independent Fostering Agency (IFA) placements. Further training has also been provided to enable in-house carers to take on more specialist placements, such as Mother and Baby placements, this has resulted in a reduction in the numbers of children going into IFA placements and the increased demand for foster care being met mostly by our own in-house provision. The graphs below illustrate the numbers in foster placement and the associated costs:





Out of Borough Residential Care continues to be the main budget pressure for the Children and Families Department as the cost of residential care has continued to increase year on year. This budget was given additional growth of £0.682m for this financial year to alleviate the pressure, however residential care is currently £1.922m over spent at the end of Quarter 2, and forecasts for residential placements indicate an overspend against budget of approximately £4,045 up to the end of the year. This does not include packages funded from the COVID budget, currently forecast at £0.782m for the full financial year.

The costs have increased significantly from Quarter 1 and this is in part due to the changes of placements within the period. Although numbers of young people in residential care hasn't particularly increased, the costs relating to these packages has. This is due to a number of older children placed in lower cost leaving care placements moving into their own accommodation offsetting the number of children entering care placements, with the costs being significantly higher.

The increase is also partly due to the increasing number of Unaccompanied Asylum Seeking Children (UASC) currently placed in care, numbers of which have increased considerably over the year to date.

The table below details the costs of residential care, IFA and UASC placements.

| | Annual Budget | Budget to Date | Actual | Variance (Overspend) | Forecast Outturn |
|--|---------------|----------------|--------------|----------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Expenditure | | | | | |
| Out of Borough Residential Placements | 7,641 | 2,647 | 4,445 | (1,798) | (3,491) |
| UASC - Out of Borough Residential Placements | 41 | 21 | 145 | (124) | (554) |
| Out of Borough Fostering | 2,375 | 997 | 957 | 40 | 84 |
| UASC - Out of Borough Fostering | 0 | 0 | 109 | (109) | (257) |
| Total Expenditure | 10,057 | 3,665 | 5,656 | (1,991) | (4,218) |

Funding is available from the Home Office for UASC, however this funding will only be granted subject to certain criteria and only once the relevant age assessments have been carried out and submitted. This can be a lengthy process and so income to offset this spend has only been included for those UASC classed as valid from the Home Office. Once confirmation is received from the Home Office that funding is granted, projections will be updated to offset overspend against the additional income.

The table below breaks down the current residential placements based on costs and placement type.

Residential Care

| Provision | Weekly Costs | 30th Sept 21 | | 30th June 21 | | 31 March 21 | |
|----------------|----------------|--------------|-----------------------------|--------------|-----------------------------|-------------|-----------------------------|
| | | No. Placed | Estimated cost for the year | No. Placed | Estimated cost for the year | No. Placed | Estimated cost for the year |
| Residential | £2000 - £3000 | 4 | 516,859 | 6 | 692,500 | 4 | 358,048 |
| Residential | £3001 - £4000 | 18 | 3,306,204 | 16 | 2,970,377 | 15 | 2,784,509 |
| Residential | £4001 - £5000 | 16 | 3,424,050 | 12 | 2,964,877 | 10 | 1,831,251 |
| Residential | £5001 - £10000 | 8 | 2,632,775 | 7 | 2,245,845 | 8 | 1,881,495 |
| Secure | £5212 - £8750 | 3 | 1,048,694 | 3 | 1,118,635 | 3 | 971,407 |
| Leaving Care | £300 - £3487 | 15 | 1,059,473 | 22 | 1,041,312 | 23 | 1,809,338 |
| Parent & Child | £581 - £2,053 | 1 | 116,066 | 2 | 105,025 | 2 | 127,589 |
| Total: | | 65 | 12,104,121 | 68 | 11,138,571 | 65 | 9,763,637 |

UASC Residential Care

| Provision | Weekly Costs | 30th Sept 21 | | 30th June 21 | |
|---------------|--------------|--------------|-----------------------------|--------------|-----------------------------|
| | | No. Placed | Estimated cost for the year | No. Placed | Estimated cost for the year |
| UASC | £300-£400 | 35 | 494,312 | 16 | 280,274 |
| UASC | £400-£5000 | 2 | 268,713 | 0 | 0 |
| Total: | | 37 | 763,025 | 16 | 280,274 |

Processes are in place to identify those children able to step down from residential care into foster care, with one young person already successfully transferred from long-term residential care. This is a great achievement and should provide a better outcome not only financially, but also for those young people involved.

The new in-house Supported Lodgings service is still recruiting for carers, with two young people already identified for placement within this provision. This will support those young people who are leaving care and taking the first steps towards independence. This service is new to Halton and 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.

In House fostering is currently £0.115m over budget profile and is expected to be £0.251m over budget at the end of the financial year. This is due to the aforementioned increase of in-house foster carers and the ability to accommodate more young people in-house. An additional £0.150m was transferred from the IFA budget to offset some of this additional spend however further growth is needed in order to fully cover the additional costs. Work is continuing to recruit and retain Halton's in-house foster carers, so costs could increase further still. However, as previously reported, the ability to accommodate young people within in-house provision provides a substantial saving in comparison to IFA or residential care.

The Early Years net divisional expenditure is £0.152m over budget profile at the end of the second quarter with the full year outturn position expected to be £366k over budget. This is due to the underachievement of parental income due to income targets based upon the Early Years provision having high occupancy levels. This underachievement of income will continue throughout 2021/22 and 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.

Income is currently £0.028m under budget profile with full year projections of £0.050m under achieved. This is primarily due to an income generation target that has been included 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.

COVID related costs for the Children and Families Department are currently £0.646m at the end of the second quarter.

Employee costs relate to agency social work staff who have been employed to assist with the added pressures of the pandemic as current Social Work teams already have a large number of vacancies. This includes the costs for the 60% contribution to the Duty and Assessment team previously mentioned in the report who are dealing with the significant increase in referrals as a result of the crisis.

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.

COVID costs for the Children and Families Department are projected to be £1.175m up to the end of March 22.