

## CHILDREN & FAMILIES DEPARTMENT

### Revenue Budget as at 31 December 2023

	<b>Annual Budget</b> £'000	<b>Budget to Date</b> £'000	<b>Actual Spend</b> £'000	<b>Variance (Overspend)</b> £'000	<b>Forecast Outturn</b> £'000
<b>Expenditure</b>					
Employees	11,469	8,539	11,369	(2,830)	(3,616)
Other Premises	476	342	231	111	147
Supplies & Services	1,085	830	1,758	(928)	(1,185)
Transport	113	18	214	(196)	(261)
Direct Payments	1,016	705	696	9	12
Commissioned services to Vol Orgs	224	116	105	11	15
Residential Care	13,704	9,588	12,260	(2,672)	(3,563)
Out of Borough Adoption	30	23	0	23	30
Out of Borough Fostering	3,148	1,834	2,603	(769)	(1,024)
In House Adoption	461	252	243	9	12
Special Guardianship Order	2,221	1,580	1,781	(201)	(269)
In House Foster Carer Placements	2,670	1,961	1,943	18	24
Lavender House	230	146	146	0	0
Home Support & Respite	394	397	368	29	39
Care Leavers	286	209	209	0	0
Family Support	53	40	63	(23)	(32)
Contracted services	3	2	3	(1)	0
Early Years	275	297	476	(179)	(239)
Emergency Duty	124	0	20	(20)	(89)
Youth Offending Services	255	107	153	(46)	(66)
<b>Total Expenditure</b>	<b>38,237</b>	<b>26,986</b>	<b>34,641</b>	<b>(7,655)</b>	<b>(10,065)</b>
<b>Income</b>					
Fees & Charges	-31	-430	-377	(53)	(4)
Sales Income	-4	-7,720	-7,720	0	(3)
Rents	-76	-56	-53	(3)	(4)
Reimbursement & other Grant Income	-594	0	0	0	(70)
Transfer from reserve	-47	-4	-1	(3)	0
Dedicated Schools Grant	-50	-4	-2	(2)	0
Government Grants	-7,883	-47	-47	0	0
<b>Total Income</b>	<b>-8,685</b>	<b>-8,261</b>	<b>-8,200</b>	<b>(61)</b>	<b>(81)</b>
<b>Net Operational Expenditure</b>	<b>29,552</b>	<b>18,725</b>	<b>26,441</b>	<b>(7,716)</b>	<b>(10,146)</b>
<b>Recharges</b>					
Premises Support	339	254	254	0	0
Transport Support	15	10	10	0	0
Central Support	3,290	2,467	2,467	0	0
Asset Rental Support	0	0	0	0	0
Recharge Income	-1,124	-843	-843	0	0
<b>Net Total Recharges</b>	<b>2,520</b>	<b>1,888</b>	<b>1,888</b>	<b>0</b>	<b>0</b>
<b>Net Departmental Expenditure</b>	<b>32,072</b>	<b>20,613</b>	<b>28,329</b>	<b>(7,716)</b>	<b>(10,146)</b>

## **Financial Position**

The net departmental expenditure is £7.716m over budget profile at the end of quarter three, with the majority directly relating to Social Care Services. Additional growth budget was provided in 2023/24 of £6.054m, with the majority £4,052m allocated to residential care placements. A savings target of £0.058m leaves a net growth of £5.997m. The expected outturn position at the end of financial year 2023/24 is £10.146m over budget.

## **Employee Expenditure**

Employee costs are £2.830m above budget profile at the end of quarter three. There continues to be a heavy reliance on agency staff to fill vacancies across the structure including Social Worker and Practice Lead positions. This combined with a number of agency staff recruited in addition to the current staffing structure is the cause of this overspend. 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 three is £4.598m or 54% of employee budget to date. The final outturn for employee costs is expected to be £3.616m overspent. This is £0.177m more than was forecast at quarter two and is due to the increased numbers of agency staff, including Senior Manager roles and the agreed pay award for 2023/24 being higher than had been initially budgeted.

The forecast assumes there will be reduced reliance on agency staff as the year progresses and take-up of the recruitment and retention scheme takes effect.

There are various workstreams currently in place to target the difficulties in recruitment and to reduce the volume of agency staff, including a Local Offer for employees offering recruitment and retention bonuses for those working in children's social care. It is hoped that these will be able to reduce the spend on employees, however a significant overspend is still to be expected at the end of 2023/24 financial year and further into the next financial year if the recruitment process is unsuccessful.

## **Supplies and Services**

Supplies and Services expenditure is £0.928m above budget profile at the end of quarter three with a forecast outturn of £1.185m. Additional growth was provided of £0.314m to cover the increase in court costs and related legal spend. However, supplies and services is diverse and high levels of spend relating to a number of areas including nursery fees, consultancy, translation costs, equipment and travel are adding pressure to this budget. The outturn position has increased by £0.163m since quarter two.

Translation costs are an increasing pressure across the department and current spend at the end of quarter three is £0.112m, with the increasingly diverse population of Halton and the number of Unaccompanied asylum seeker Children (UASC) and Leaving Care (LC) children, there is an expectation that the translation costs will increase further throughout the remaining quarter.

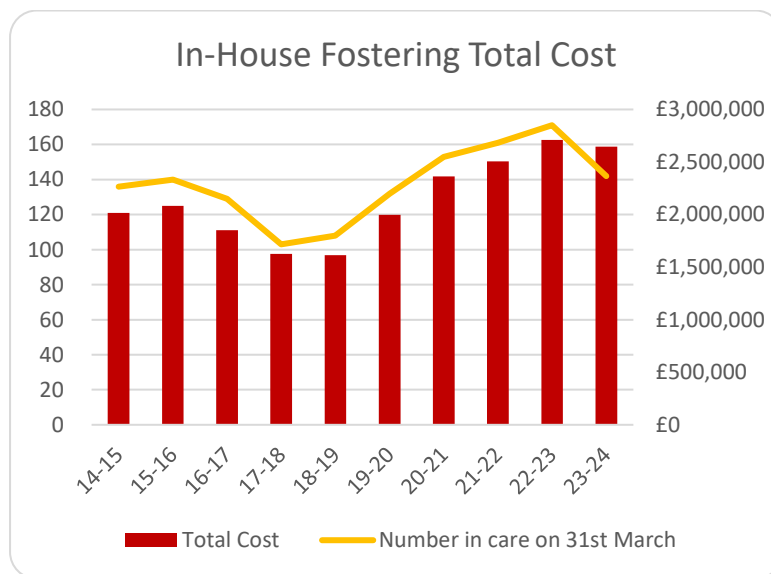
Transport costs are currently £0.196m over budget profile with an anticipated outturn of £0.261m over budget. The majority of these costs relate to the contracted transport of young people to their education provision. These costs can fluctuate in year dependent on the placements made, but transport costs and proximity to education are considered when arranging placements for young people.

## Fostering

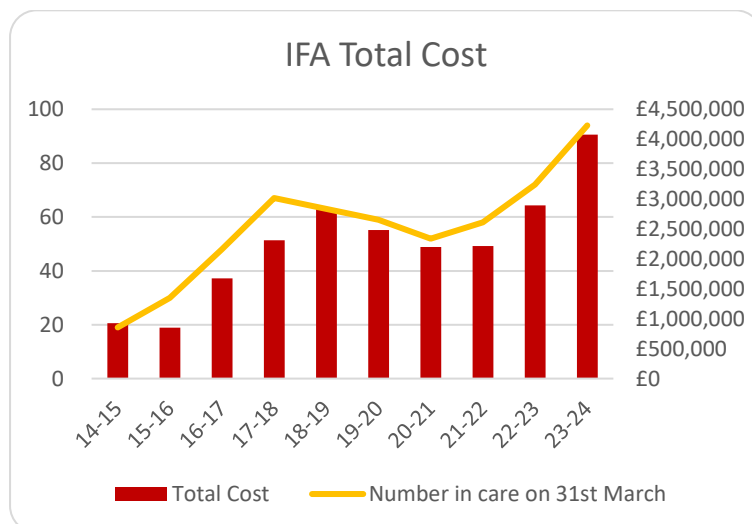
In House Fostering is £0.018m under budget profile with an expected outturn of £0.024m under budget. Growth of £0.268m was added which has reduced pressure in this area.

Along with the growth provided to reduce the pressure, the number of children placed within in-house provision has reduced. The underspend relates to a number of children that have moved to either a Special Guardianship Order (SGO), an Independent Fostering Agency (IFA) or residential care placement, as the inhouse placement has become unstable.

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 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 outturn forecast overspend of £1.024m. There has been an additional 16 children entering IFA placements between Q2 and Q3 which has increased the forecast overspend within this area.



## **Special Guardianship Order**

Special Guardianship Order (SGO) costs are currently £0.201m over budget at the end of Quarter three, with an expected outturn of £0.269m over budget. Growth of £0.340m was added to this budget, but the increasing number of young people placed under an SGO and an expected 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.

## **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. This budget was given an additional growth of £4.052m for this financial year to alleviate the pressure, however residential care is £2.672m overspent at the end of quarter three with an anticipated outturn of £3.563m over budget at the end of the year.

The high increase in spend can be attributed to the rise in costs of individual packages and the increase in numbers of children that are accommodated in residential care. The table below illustrates the trend towards numbers of children accommodated in residential care and the cost of packages.

Provision	Weekly Costs	31 December 2023		30 September 2023	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	6	853,613	4	768,400
Residential	£3001 - £4000	11	1,959,602	9	1,606,255
Residential	£4001 - £5000	6	1,473,015	7	1,549,874
Residential	£5001 - £13720	30	10,611,463	29	10,381,554
Secure	£6397 - £8137	0	0	0	0
Leaving Care	£443 - £7175	17	1,922,334	16	1,750,828
Parent & Child	£2000 - £5500	6	562,071	5	393,882
<b>Total:</b>		<b>76</b>	<b>17,382,099</b>	<b>70</b>	<b>16,450,793</b>

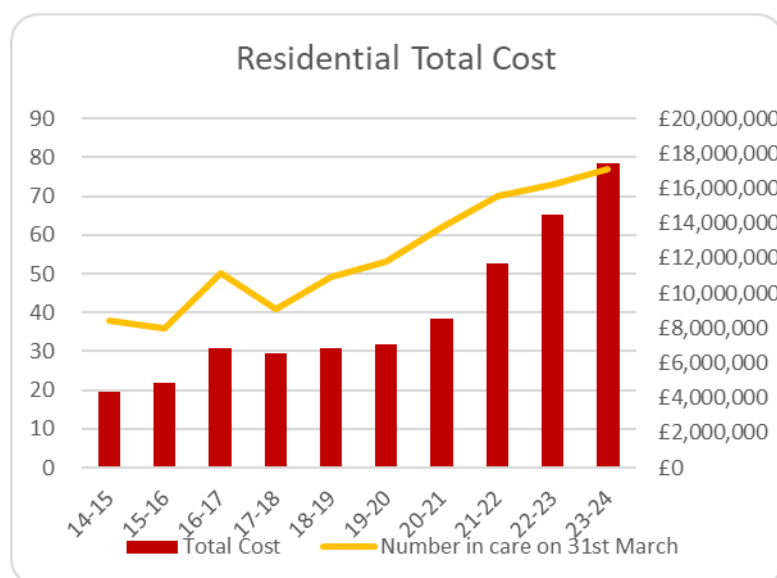
## **UASC Residential Care**

The number of Unaccompanied Asylum-Seeking Children (UASC) currently placed in care remains high but fairly stable. Home Office funding has been agreed for the majority of UASC placed in Council care and is currently sufficient to cover the costs of those UASC accommodated. Unfortunately, there is a significant delay in receiving payment for UASC and Leaving Care (LC). To date we have only received one payment from the Home Office for

UASC and LC for the period April to August with no indication of when the funding for the remaining year will be received.

Provision	Weekly Costs	31 December 2023		30 September 2023	
		No. Placed	Estimated cost for the year	No. Placed	Estimated cost for the year
UASC	£300-£500	50	683,521	58	729,235
UASC	£500-£5000	4	462,996	2	456,468
<b>Total:</b>		<b>54</b>	<b>1,146,517</b>	<b>60</b>	<b>1,185,703</b>

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 in 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 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.

The Care Leaver provision at Lavender House, has four young people currently accommodated and is operating at full capacity.

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 leaving care provision.

### Early Years

The Early Years net divisional expenditure is £0.179m over budget at the end of the quarter three, with a forecast outturn of £0.239m 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. Due to the inability to become self-sustaining and the consistent budget pressure the Early Years Centres have now closed and therefore will no longer be a pressure in future years.

Further expenditure has increased at the end of quarter 3 due to redundancy payments being issued and a backdated pay award increase that was agreed in November.

### **Income**

Income is underachieving by £0.061m at the end of Quarter three with an estimated outturn of £0.081m under budget. The majority of this relates to an income generation target for the Leaving Care provision, Lavender House of £0.053m for renting a room to a neighbouring authority. Due to high demand from Council 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 will not 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 full details

## 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 closed in August 23. The daycare 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		

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
<b>Total Children &amp; Families Department</b>				<b>58</b>	<b>138</b>	<b>22</b>		