

**CHILDREN & FAMILIES DEPARTMENT****Revenue Budget as at 31 March 2024**

	Annual Budget	Actual Spend	Variance (Overspend)
	£'000	£'000	£'000
<b>Expenditure</b>			
Employees	12,101	15,195	(3,094)
Other Premises	476	421	55
Supplies & Services	2,078	3,280	(1,202)
Transport	113	376	(263)
Direct Payments	1,048	871	177
Commissioned services to Vol Orgs	224	198	26
Residential Care	14,993	19,075	(4,082)
Out of Borough Adoption	30	0	30
Out of Borough Fostering	3,194	4,274	(1,081)
In House Adoption	461	453	9
Special Guardianship Order	2,221	2,523	(302)
In House Foster Carer Placements	2,740	2,621	119
Lavender House	230	219	11
Home Support & Respite	530	553	(23)
Care Leavers	286	308	(21)
Family Support	53	75	(22)
Contracted services	3	4	(1)
Early Years	275	440	(165)
Emergency Duty	124	184	(59)
Youth Offending Services	255	326	(71)
Capital Financing	0	0	(0)
Transfer to Reserve	106	106	0
<b>Total Expenditure</b>	<b>41,540</b>	<b>51,501</b>	<b>(9,961)</b>
<b>Income</b>			
Fees & Charges	-34	-23	(11)
Sales Income	-4	-2	(2)
Rents	-84	-84	0
Reimbursement & other Grant Income	-1,134	-1,086	(48)
Transfer from reserve	-193	-193	0
Dedicated Schools Grant	-50	-50	0
Government Grants	-10,488	-10,488	0
<b>Total Income</b>	<b>-11,988</b>	<b>-11,926</b>	<b>(62)</b>
<b>Net Operational Expenditure</b>	<b>29,552</b>	<b>39,575</b>	<b>(10,023)</b>
<b>Recharges</b>			
Premises Support	392	392	(0)
Transport Support	15	13	2
Central Support	3,290	3,290	0
Asset Rental Support	0	0	0
Recharge Income	-1,134	-1,134	(0)
<b>Net Total Recharges</b>	<b>2,563</b>	<b>2,561</b>	<b>2</b>
<b>Net Departmental Expenditure</b>	<b>32,115</b>	<b>42,136</b>	<b>(10,021)</b>

## **Financial Position**

The net department expenditure is £10.021m over budget at the end of financial year 2023/24 with the majority 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.

## **Employee Expenditure**

Employee costs are over budget by £3.094m at the end of financial year 2023/24. 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.

Total agency spend for 2023/24 across the division was £6.123m or 51% of the employee budget.

There are various workstreams currently in place to target the difficulties in recruitment and to reduce the volume of agency staff, including Social Work Academy, a recruitment work group and 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 in financial year 2024/25 as the work continues to look at options to reduce agency reliance.

## **Supplies and Services**

Supplies and Services expenditure is £1.202m over budget at the end of financial year. 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.

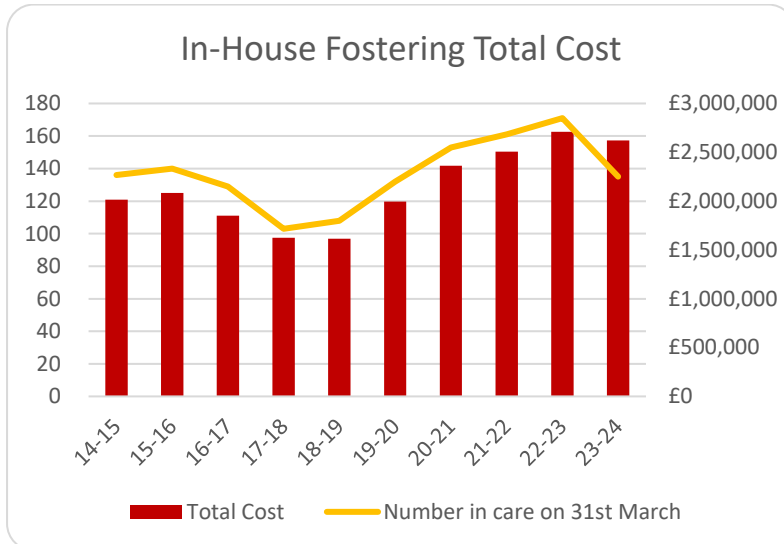
Translation costs have been identified as an increasing pressure to the service, £0.137m has been spent in 2023/2024. With the increasingly diverse population of Halton and the number of Unaccompanied Asylum Seeker Children (UASC) and Leaving Care (LC) children, there is an expectation that the translation costs will increase further in financial year 2024/25.

Transport costs are £0.263m over budget at the end of financial year 2023/24. 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.

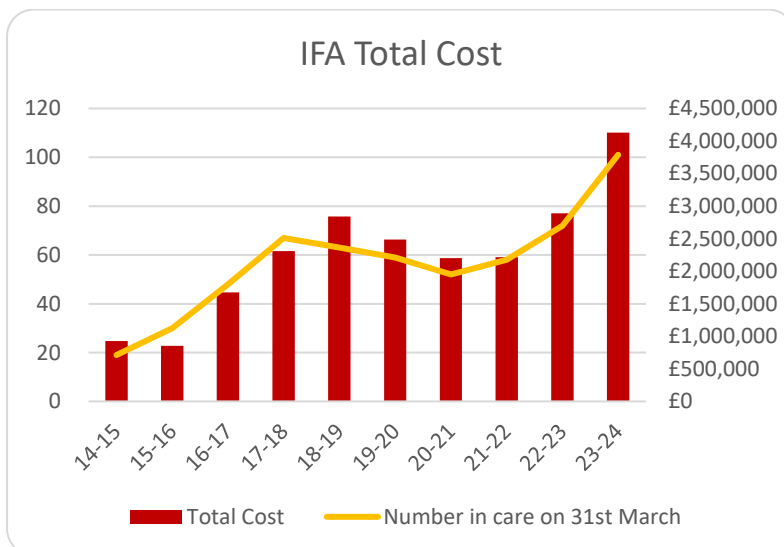
## **Fostering**

In house fostering placements is £0.119m under budget profile. 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 overspend of £1.081m.



**Special Guardianship Order**

Special Guardianship Order (SGO) costs at the end of financial year 2023/24 were over budget by £0.302m. 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 £4.082m overspent.

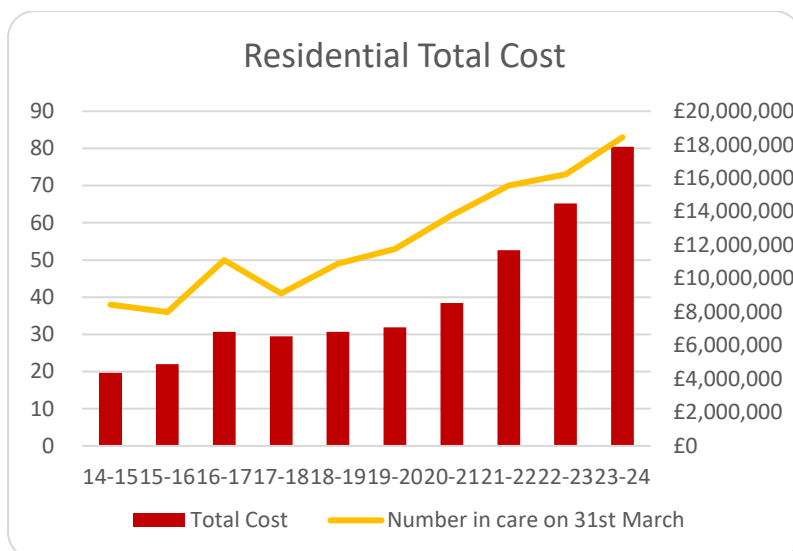
Provision	Weekly Costs	31 March 2024		31st December 2023	
		No.	Estimated cost	No. Placed	Estimated cost for the year
Residential	£2000 - £3000	7	1,220,918	6	853,613
Residential	£3001 - £4000	8	1,477,688	11	1,959,602
Residential	£4001 - £5000	6	1,401,013	6	1,473,015
Residential	£5001 - £13720	35	10,886,809	30	10,611,463
Secure	£6397 - £8137			0	0
Leaving Care	£443 - £7175	18	2,260,385	17	1,922,334
Parent & Child	£2000 - £5500	8	628,230	6	562,071
<b>Total:</b>		<b>82</b>	<b>17,875,043</b>	<b>76</b>	<b>17,382,099</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 some of UASC placed in our care and we expect for payment to be 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 period of 2023/24 will be received.

Provision	Weekly Costs	31 st March 2024		31st December 2023	
		No.	Estimated cost	No. Placed	Estimated cost for the year
UASC	£300-£500	47	666,796	50	683,521
UASC	£500-£5000	7	508,303	4	462,996
<b>Total:</b>		<b>54</b>	<b>1,175,099</b>	<b>54</b>	<b>1,146,517</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 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.

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.

### Early Years

The Early Years net divisional expenditure is £0.165m over budget at the end of financial year 2023/24. 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.

### Income

Income is underachieving by £0.062m at the end of the financial year 2023/24. 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 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 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.