

CHILDREN & FAMILIES DEPARTMENT

Revenue Budget as at 30 September 2024

| | Annual Budget | Budget to Date | Actual Spend | Variance (Overspend) | Forecast Outturn |
|-------------------------------------|----------------|----------------|---------------|----------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Expenditure | | | | | |
| Employees | 15,065 | 6,758 | 8,283 | (1,525) | (3,056) |
| Other Premises | 415 | 141 | 160 | (19) | (34) |
| Supplies & Services | 1,723 | 1,135 | 1,449 | (314) | (610) |
| Transport | 360 | 138 | 112 | 26 | 45 |
| Direct Payments | 1,097 | 548 | 631 | (83) | (178) |
| Commissioned services to Vol Orgs | 224 | 101 | 101 | 0 | 0 |
| Residential Care | 17,570 | 6,168 | 10,321 | (4,153) | (7,394) |
| Out of Borough Adoption | 96 | 0 | 0 | 0 | 96 |
| Out of Borough Fostering | 4,253 | 1,716 | 2,176 | (460) | (991) |
| In House Adoption | 548 | 165 | 129 | 36 | 68 |
| Special Guardianship Order | 2,510 | 1,115 | 1,144 | (29) | (70) |
| In House Foster Carer Placements | 2,739 | 1,194 | 1,031 | 163 | 302 |
| Lavender House Contract Costs | 234 | 80 | 73 | 7 | 15 |
| Home Support & Respite | 340 | 179 | 174 | 5 | 8 |
| Care Leavers | 248 | 134 | 188 | (54) | (107) |
| Family Support | 53 | 22 | 30 | (8) | (22) |
| Contracted services | 3 | 2 | 2 | 0 | 0 |
| Early Years | 0 | 0 | 0 | 0 | 0 |
| Emergency Duty | 132 | 0 | 0 | 0 | (51) |
| Youth Offending Services | 321 | 10 | 10 | 0 | (140) |
| Transfer to Reserves | 8 | 0 | 0 | 0 | 0 |
| Total Expenditure | 47,939 | 19,606 | 26,014 | (6,408) | (12,119) |
| Income | | | | | |
| Fees & Charges | -33 | -7 | 0 | (7) | (14) |
| Sales Income | -4 | -2 | 0 | (2) | (3) |
| Rents | -81 | -21 | -24 | 3 | 0 |
| Reimbursement & other Grant Income | -766 | -450 | -365 | (85) | (111) |
| Transfer from reserve | -5 | -5 | -5 | 0 | 0 |
| Dedicated Schools Grant | -50 | 0 | 0 | 0 | 0 |
| Government Grants | -10,371 | -5,285 | -6,270 | 985 | (86) |
| Total Income | -11,310 | -5,770 | -6,664 | 894 | (214) |
| Net Operational Expenditure | 36,629 | 13,836 | 19,350 | (5,514) | (12,333) |
| Recharges | | | | | |
| Premises Support | 398 | 199 | 199 | 0 | 0 |
| Transport | 16 | 9 | 9 | 0 | 0 |
| Central Support | 2,274 | 1,137 | 1,137 | 0 | 0 |
| Asset Rental Support | 0 | 0 | 0 | 0 | 0 |
| HBC Support Costs Income | -955 | -478 | -478 | 0 | 0 |
| Net Total Recharges | 1,733 | 867 | 867 | 0 | 0 |
| Net Departmental Expenditure | 38,362 | 14,703 | 20,217 | (5,514) | (12,333) |

Financial Position

The net departmental expenditure is estimated to be over budget profile at the end of financial year 2024/25 by £12.333m 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 outturn position at the end of 24/25 has increased by £0.716m since 31 July 2024. The forecast for residential placement costs has increased by £1.2m since last reported at the end of July 2024. Higher funding than originally anticipated relating to Unaccompanied Asylum Seekers and reduced forecast spend in other areas has helped mitigate the overall forecast overspend.

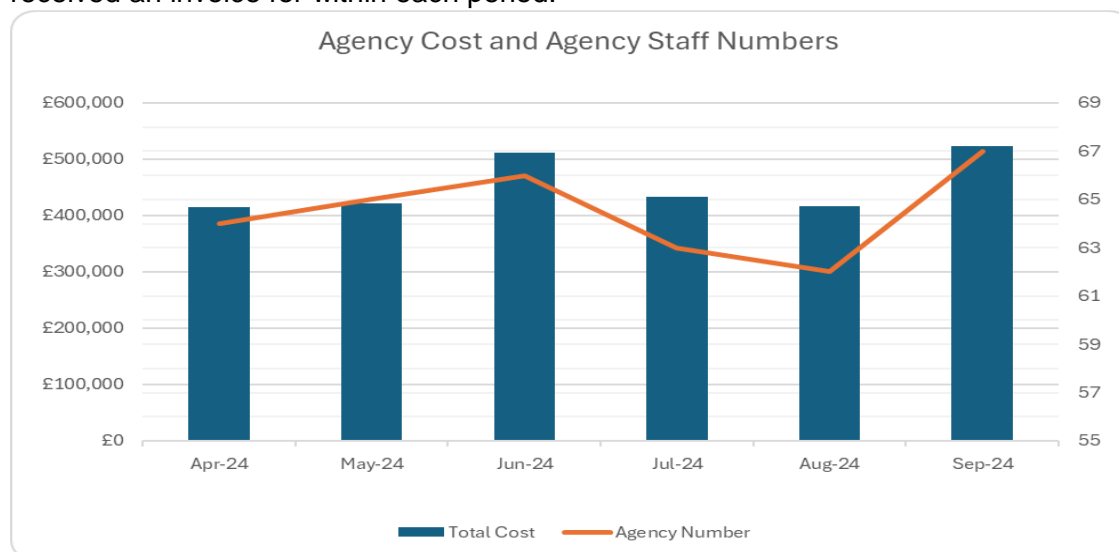
The financial picture for the Children and Families Department continues to be one of serious concern. The main issues relate to the difficulty in the recruitment of social workers and the subsequent extortionate agency costs, along with the spiralling costs of residential placements. This has been an 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.

Please see below for further details

Employee Expenditure

Employee costs are over budget profile at the end of financial year 2024/25 by £3.056m. There continues to be heavy reliance on agency staff to fill vacancies across the structure.

The chart below demonstrates agency cost that cover the month of April to September based on the period that was worked. An estimated figure has also been included in September for invoices that we have not yet received for work that was provided in September. The chart also includes the number of agency members of staff that we have received an invoice for within each period.



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.

The current number of agency staff that are in addition to the establishment has risen to 18. In some cases this is due to agency staff not being stepped down when posts are recruited to by permanent employees.

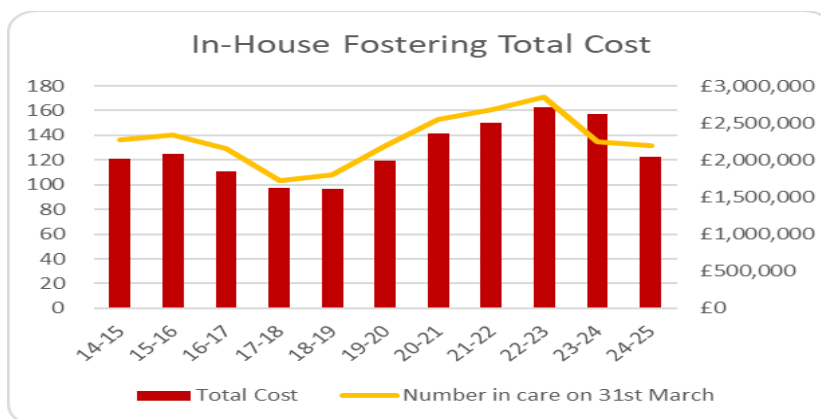
Agency spend forecast across the department is expected to remain high for financial year 2024/25, at 30 September 2024 agency spend was £2.715m.

Supplies and Services

Supplies and services expenditure is forecast to be £0.610m 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.

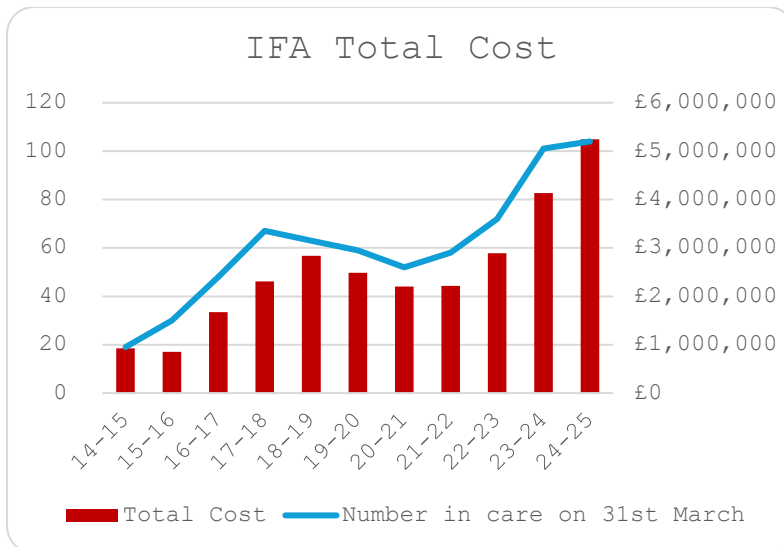
Fostering

Inhouse fostering placements is estimated to be £0.302m 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 for the end of 2024/25 as £0.991m over budget.



Special Guardianship Order

Special Guardianship Order (SGO) at the end of financial year 2024/25 is estimated to be over budget profile by £0.70m.

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.

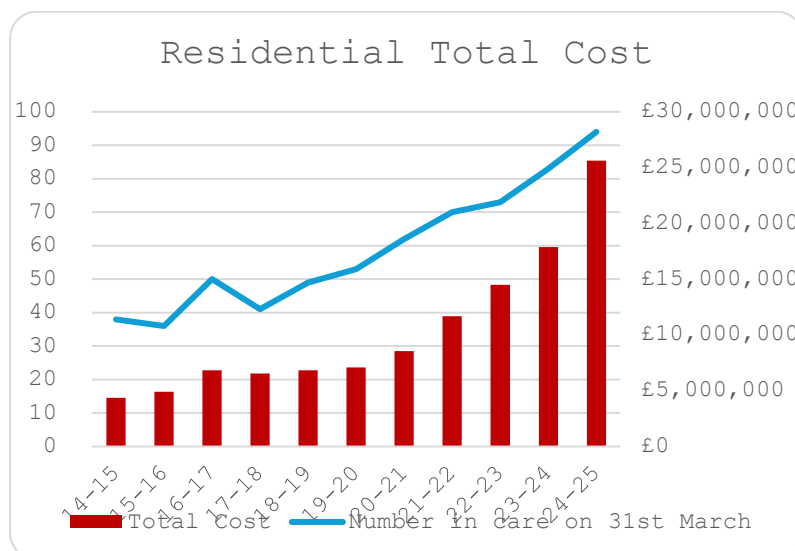
Residential Care

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.

| Provision | Weekly Costs | 30-Sep-24 | | 31-Jul-24 | |
|----------------|----------------|------------|-----------------------------|------------|-----------------------------|
| | | No. Placed | Estimated cost for the year | No. Placed | Estimated cost for the year |
| Residential | £2000 - £3000 | 3 | 425,275 | 2 | 197,563 |
| Residential | £3001 - £4000 | 15 | 3,177,897 | 14 | 2,576,320 |
| Residential | £4001 - £5000 | 11 | 2,464,877 | 12 | 2,707,103 |
| Residential | £5001 - £15000 | 41 | 16,205,195 | 38 | 15,556,103 |
| Secure | £6397 - £8137 | | | | |
| Leaving Care | £443 - £7175 | 18 | 2,643,101 | 19 | 2,742,900 |
| Parent & Child | £2000 - £5500 | 6 | 715,298 | 6 | 663,491 |
| Total: | | 94 | 25,631,643 | 91 | 24,443,479 |

At the end of financial year 24/25 the estimated overspend is £7.394m over budget for residential placements. Overall cost of packages are increasing due to the complexity of support the young people require as well as standard package cost increases.

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-Sep-24 | | 31 July 2024 | |
|---------------|--------------|------------|-----------------------------|--------------|-----------------------------|
| | | No. Placed | Estimated cost for the year | No. Placed | Estimated cost for the year |
| UASC | £300-£500 | 36 | 460,218 | 38 | 499,215 |
| UASC | £500-£5000 | 21 | 785,402 | 20 | 843,014 |
| Total: | | 57 | 1,245,619 | 58 | 1,342,228 |

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.

Income

Income is forecast to be underachieving at the end of financial year 2024/25 by £0.214m, The underachievement relates to Social Work Academy funding not meeting the original expected levels and the number of NHS joint funded packages reducing.