

## **REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES**

### **CHILDREN AND FAMILIES DEPARTMENT BUDGET POSITION**

#### **Purpose of the Report**

1. The purpose of this report is to provide Finance Committee with a summary of the Children and Families Department's financial position for the current financial year.

#### **Information**

2. The Children and Families Department has experienced significant pressures during this financial year with an increased demand for services continuing from previous years and additional spikes due to latent demand or additional need or a reduction of services during the pandemic. Some of these may take significant time to resolve and most are not within the Local Authority's direct control.
3. The annual revenue budget has increased in comparison with period 5 due to the budget adjustment for Covid-19 additional costs and the revenue budget is now forecast to overspend by £2.2m after planned use of grant reserves. The Commissioning and Resources division remains the division with the highest overspend. In period 6 this was £2m (2.5%) compared with period 5 at £3.8m (4.9%). A summary is presented as **Appendix 1**.
4. The Youth, Families & Social Work Division is reporting a forecast £0.3m overspend after the planned use of reserves. £0.3m of this overspend relates to social care staffing. The overspend has arisen due to the service still needing to use high levels of agency workers during the pandemic. Newly qualified social workers who have experienced their first year of practice during lockdown have not had the joint working opportunities they would have had in a non-pandemic year. Consequently, they have not yet fully developed the necessary skills, confidence, and experience to undertake child protection work without the additional support of experienced staff. Demand in the Multi-Agency Safeguarding Hub is also currently at its highest ever level, 900 referrals per month higher than the same period last year and over 500 referrals per month higher than the same period in 2019. This is a consequence of latent demand and hidden harm; children are now being seen again by schools and services. Although we are working proactively to manage demand, it is anticipated that high levels of demand may decrease slightly during school summer holidays but will resume in the autumn.

5. There are also very significant delays in the Family Courts, this is a consequence of Covid related delay and an ongoing lack of judicial time. Children are having final hearings delayed by up to six months and hearings are being cancelled at short notice. As cases are not being progressed Social Worker caseloads are increasing, and reassessments are being requested when there has been delay. Delays in Special Guardianship Orders and Adoption cases mean that children are remaining in care for longer. The Leader of the Council has written to the Lord Chancellor with regards to this situation and has stressed the importance of expediting judicial appointments.
6. Another variance in the Youth, Families & Social Work Division overspend is on Looked After Children placements. This is attributable to personal allowance payments to Looked After Children aged 16/17 living independently, further costs on internal specialist residential children's homes and additional costs in the Fostering team.
7. The fiscal impact of the temporary closure of Minster View in summer 2020 and which continues to the present time has been closely scrutinised. This occurred as a result of the absence of a significant body of staff due to Covid infection or self-isolation (at one stage 17 members of staff were all absent) and concerns which emerged about professional practice and the standards of care at Minster View. The total annual budget for Minster View is £1.685m and after reprovision and redeployment is accounted for the headline result is a reduction in forecast annual spend of £0.212m in this year. A detailed report setting out future proposals for Minster View will be presented to the Children & Young People's Committee on 13 December 2021.
8. The Education Learning & Skills Division is reporting a £0.1m underspend. Additional Covid grant has been allocated to fund the extra costs associated with an increase in demand for Education, Health and Care Plans (EHCPs) for children who have special educational needs. The previous forecast included £0.2m of additional costs which is now covered by the grant. There is also £0.1m underspend on ongoing pension enhancement payments due to the annual pensions increase percentage being lower than previously projected.
9. Commissioning & Resources is reporting a forecast £2.0m overspend after use of reserves and the Covid budget allocation received in the month. There is a predicted £3.2m overspend on placements for looked after children in the external market. This is offset by £0.5m of underspend in the internal foster care budget. The overspend includes those costs referred to above for alternative care settings for children previously placed at Minster View and also additional costs due to market conditions and reliance on more costly placement types inevitably impacted by the pandemic as foster care has been more difficult to source. The availability of suitable foster care both internally and externally continues to be a major factor especially for older children, so placement mix (the relative numbers in internal and external foster care an external residential placements) is the issue rather than the overall volume of looked after children, the rate for which is well below the statistical neighbour average. In the latest reporting period the weighted average cost of all external placements was £98,880 per annum compared with £89,483 a year ago. The figures in **Appendix 2** provide graphical analysis of external placement numbers, mix and weekly placement costs.
10. There is in addition a £0.3m net overspend across other budget heads within the division. This mainly consists of staffing budget overspends linked to the Vacancy Level Turnover and current high service demands within the Independent Chair Service and Integrated Children's Disability Service requiring procurement of additional agency staff to meet

statutory responsibilities. There is also £0.1m net overspend incorporating departmental overheads such as Trade Union recharges which consistently exceed budget and temporary senior management costs associated with the IICSA (Independent Inquiry into Child Sexual Abuse) project.

11. There is a £1.2m underspend on Children's Centres and former contract related budgets and an increased contribution from the Public Health Grant. Approximately £0.3m is on budgets held for anticipated pay protection and other uncertainties and a temporary subsidy on the NHS employers pension rate accounts for a further £0.1m. The remaining £0.5m is mainly due to vacancies against the original staffing budgets that were created on transfer from the previous providers.
12. The table contained in **Appendix 3** shows actual capital expenditure to date against the forecast outturn as at period 6. School Places Programme has a gross capital programme value of £12.8m. Whilst this programme is fully committed, there is an underspend shown in the 2021/22 forecast of £2.5m due to commitments made to Academies which will be slipped to future financial years. The budget for 2021/22 will be adjusted to reflect this.
13. Clayfields House Secure Unit is currently forecasting a deficit of £0.3m against its income target of £0.346m. This takes into account a £0.858m loss of income for the period April – September. Occupancy at Clayfields House remains lower than in previous years as Covid continues to impact on staffing levels and whilst there has been a successful recruitment drive to fill vacancies in the home, it is unlikely that new staff will be operational before Christmas. However, it is estimated that full occupancy should be achieved by December. The forecast includes a final loan repayment estimated at £0.1m and a contribution towards the increased cost of employer liability insurance of £0.2m. The balance on the trading reserve is £0.564m.

### **Other Options Considered**

14. No other options were applicable for this update.

### **Reasons for Recommendations**

15. To provide Members with the opportunity to comment on key information relating to the position of the Children and Families Department's budget.

### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

17. The financial implications are detailed throughout the report.

## **RECOMMENDATIONS**

- 1) That the contents of the report be noted.

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### **Constitutional Comments (GR 12/11/21)**

18. Pursuant to Nottinghamshire County Council's constitution this Committee has the delegated authority to both receive and make the recommendations contained within this report.

### **Financial Comments (KRP 12/11/21)**

19. This report provides more detailed Departmental information to support that provided in the overall Council position reported elsewhere on the agenda. There are no additional financial comments.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

### **Electoral Divisions and Members Affected**

All.

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