

Public Report
Overview and Scrutiny Management Board

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 02 September 2020

Report Title

Children's Placement Projections

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Sally Hodges, Strategic Director, Children & Young People's Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Choose an item.

Report Summary

To provide an update to OSMB on Children & Young People Services placements spend, an update on developments of in-house placements and clarity on placement assumptions.

Recommendations

That the report be noted.

Background Papers

N/A

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Council Approval Required

No

Exempt from the Press and Public

No

Children's Placement Projections

1. Background

- 1.1 In 2018/19 CYPS budget was £58.667m with a spend of £74.390m creating an overspend of £15.723m which was predominantly due to the current high number of children in care. The budget pressures of £15.723m when added to 19/20 & 20/21 budget savings £10.007m, and residual savings from previous years £1.724m equates to cost reductions over the 2019/20 & 2020/21 financial years of £27.454m to achieve a balance budget.
- 1.2 In order to set a robust budget for 2019/20 and 2020/21 a review of the current CYPS spend took place, with estimated cost reductions that could be expected to be achieved over and above delivery of the budget savings, which required investment of £9.5m in 19/20 and £7.5m in 20/21. To reduce the budget pressure and achieve the budget savings was based on reducing spend in CYPS by £9.7m in 2019/20 and by £19.9m in 2020/21.
- 1.3 A major element in the reduced budget estimates is the placement projections which reflect a transfer in the number of high cost to lower cost placements combined with a reduction in LAC numbers from the 651 to 600 by March 2020 and to 541 by March 2021, for the LAC placement profile and budget across financial years 2019/20 and 2020/21.
- 1.4 At the end of the 2019/20 financial year LAC placements reduced from 647 on the 1 April 2019 to 595 on 31 March 2020, however the placement spend was £5.4m over budget due to the placement mix with significantly higher number of children in "high cost" residential and independent fostering placements (IFA).

2. Key Issues

- 2.1 In setting the 2020/21 placement budgets the placement budgets were still profiled as per the original reduction from 600 to 541, but the placement mix was amended to reflect the estimated number of children in residential, IFA and other placement types. The key issues being;
 - Reduction of children in residential placements.
 - Overall reduction in fostering placements.
 - Increase of children with in-house foster carers through proactive recruitment.
 - Number of significantly high cost children in residential and emergency placements
- 2.2 The impact of COVID has had an impact on achieving the planned reductions across these placement types and has also led to an increase in the number of children in emergency placements.

- 2.3 After an initial quiet period at the start of the 2020/21 year, an increase in demand is now expected linked to the opening of schools, but this is difficult to predict and may impact on the ability to make savings on the placement budgets.

3. Options considered and recommended proposal

- 3.1 Contents of the report are be noted.

4. Consultation on proposal

- 4.1 N/A

5. Key Actions & Timelines

- 5.1 The recruitment of in-house foster carers whilst affected by COVID is progressing well with an increase in 8 foster carers since 1 April 2020 (further net 4 placements so far in August) and with 16 foster carers to come to panel between August and October.
- 5.2 In-house Residential is ahead of schedule with the first 4 bed home and emergency home now open and with two children to be placed in residential home before the end of August. Phase 2 is also ahead of schedule with offers now accepted for the two 2 bed properties.
- 5.3 The overall residential placements numbers are currently on budget profile, having reduce from 58 on 1 April 2020 to 51 as at 31 July, with further children estimated to move from residential to supported accommodation and fostering placements between now and the end of the financial year.
- 5.4 The placement budget at the end of July is a pressure of £4.4m, see table below:

Placement Type	Net Budget	Net Forecast P4 (July)	Net Variance (Forecast - Budget)
In - house Fostering (Including family & friends)	4,338,470	3,632,379	-706,091
Fostering Independent Placements	8,298,306	10,014,797	1,716,491
Total Fostering	12,636,776	13,647,176	1,010,400
In House Residential	177,420	528,377	350,957

External Residential Placements	3,827,286	6,400,985	2,573,699
Block Contracts	2,426,424	1,548,756	-877,668
Remand Placements (included in above budget)	-28,000	-55,025	-27,025
Total Residential	6,574,730	8,594,693	2,019,963
The House Project	324,637	239,132	-85,505
Emergency	400,000	1,857,234	1,457,234
Supported Accommodation - Care Leavers (LAC ONLY)	1,637,800	1,658,263	20,463
Total Looked after Children	21,573,943	25,996,498	4,422,555

5.5 There are positives as outlined as outlined in sections 3.1 to 3.3 and whilst the LAC numbers are above the budget profile at the end of July (603 actual to 584 budget) there are 27 LAC children stuck in the court system that would have been discharged, which would have reduced the number of 576. It must be stated however that there would be no financial impact from the reduction of numbers on the placement forecast as these children are already in their adoptive placement or placed at home.

5.6 In terms of the placement forecast and risks it does take account of an estimated net reduction in placement numbers between August and the end of the financial year. If numbers were to remain static the forecast would increase by £1.34m, this is a net position as the in-house fostering budget is projected to increase (£180k) as are Special Guardianship Orders, Child Arrangement Orders and adoption allowances (£440k).

6 Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 The financial implications are outlined in the body of the report.

7 Implications for Partners

7.1 The CYPS placements budget also impact on the councils Dedicated Schools Grant (DSG) and CCG in relation to education and therapeutic costs within placements. As the level of spend reduces it will also have a positive impact on the DSG and CCG.

8 Risks and Mitigation

- 8.1 The report outlines the risks and assumptions in terms of growing in-house placements, plans to reduce the number of looked after children in placements and financial impact if number were to remain static.
- 8.2 The CYPS closely monitor each child's placement to ensure all planned moves are undertaken in a timely manner.

9 Accountable Officer(s)

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