

# **CHILDREN'S SERVICES OVERVIEW & SCRUTINY COMMITTEE**

## **Q2 FINANCIAL MONITORING POSITION FOR 2024/25**

**5<sup>th</sup> November 2024**

**Tanya Collier**



**Walsall Council**

**PROUD OF OUR PAST OUR PRESENT AND FOR OUR FUTURE**

# Contents

- 1 Forecast Overview
- 2 Key Variances
- 3 Movement from previous month
- 4 Reserves
- 5 Risks
- 6 2024/25 STP Summary
- 7 Capital Forecast
- 8 Children's Social Care Demand Services

# 1. Forecast Overview

The forecast revenue outturn for 2024/25 for the services under the remit of the Children's Services Overview & Scrutiny Committee as at P6 (September 2024) is an overspend of **£2.59m** after the net use of reserves of (£1.40m).

For completeness, the forecast revenue overspend for services under the remit of the Education Overview and Scrutiny Committee is an overspend of £2.52m. This gives a total forecast position of an overspend of £5.11m for Children's Services directorate as of 30 September 2024.

This is broken down further in Table 1 of the report.

## 2. Key Variances

The key variances contributing to the services overspend of **£2.59m** are:

- £1.40m children in care costs linked to the ongoing national placement sufficiency issues; an increased number of adolescents entering care with complex needs; a rising number of large sibling groups; and increased placement costs. (See Appendix 1 of the report for further information)
- £0.33m staffing and agency pressures across the service;
- £0.13m increased demand for Section 17 support;
- £0.30m other non-staffing pressures relating to travel, premises and security costs, contract increases and increased demand for OT equipment;
- £0.42m pressure within shortbreaks service linked to increased demand to avoid children entering care and increased complexities of cases.

The above is detailed in Table 2 of the report.

### 3. Movement from Jun 24 (P3) to Sep 24 (P6)

The forecast outturn position as at Period 3 (Jun 24) was an overspend of £1.79m therefore there is a net increase in the forecast overspend of **£0.81m**. The main reasons for this movement are:

- **£0.43m** increase in costs relating to children & young people in care. (A detailed breakdown of this movement is included within Appendix 1 of the report)
- **£0.20m** increases in agency and staffing costs across Children's Social Care, due to delays in recruitment and extension of current agency staff.
- **£0.17m** increased demand for section 17 support and OT equipment, and other non-staffing pressures relating to travel, premises and security costs.

The above is detailed in Table 3 of the report.

## 4. Reserves

The total allocated reserves for 2024/25 for services under the remit of this committee are £3.37m, of which (£1.45m) has been used or committed to date and £0.05m will be transferred to reserves at the year-end, ringfenced for expected spend in 2025/26.

Further information around the reserves can be found in section 3.6 and Table 4 of the report.

# 5. Risks

Low Impact (Green) **£0.85m**    Medium Impact (Amber) **£5.87m**    High Impact (Red) **£2.23m**

For the services under the remit of this committee, there are total risks of **£8.94m** which are not included in the above forecast. At this stage the risks are not a certainty and as such are not included in the monitoring position.

If any risks became a certainty, they would need to be included in the forecast position as an overspend, unless alternative action can be identified to mitigate these costs.

Further information around the risks can be found in section 3.7 and Tables 5 & 6 of the report.

## 6. 2024/25 STP Summary

Included within the budget for 2024/25 for services within the remit of this Committee are £4.22m of approved savings of which:

- £1.03m has been fully achieved to date;
- £1.06m is on track to be delivered by 31<sup>st</sup> March 2025;
- £2.13m is still not guaranteed to be fully achieved by 31<sup>st</sup> March 2025.

Further information around the risks can be found in section 3.8 and Table 7 of the report.



# 7. Capital Forecast

The capital programme for the services under the remit of the Children's Services Overview and Scrutiny Committee, as at the end of September 2024, is £1.26m. As at September, it was expected that £0.95m will be fully spent within the current financial year and the remaining £0.31m will be carried forward into 2025/26.

Further information around the risks can be found in section 3.9 and Table 8 of the report.

## 8. Children's Social Care Demand Services

Walsall's Social Care demand led pressures are in-line with the national picture and, although costs continue to increase, extensive work has been undertaken to effectively manage demand.

On-going placement sufficiency issues continue to be the biggest challenge for the service, which has been further compromised by changes in legislation for Ofsted registered placements; national shortages of foster carers; a larger portion of adolescents entering care with complex needs and vulnerabilities including exploitation, mental health difficulties and emotional dysregulation; a rising number of large sibling groups and a higher proportion of children in care over the age of 15.

There are mitigations in place that include Walsall expanding the internal residential provision; the development of an offer for adolescents with complex needs, introduction of the Families First for Children Pathfinder and the expansion of the family safeguarding model.