Agenda Item No. 7

Children's, Families and Education Overview and Scrutiny Committee

DATE: 04 NOVEMBER 2025

CORPORATE FINANCIAL PERFORMANCE – QUARTER 2 FINANCIAL MONITORING POSITION FOR 2025/26

Ward(s) All

Portfolios: Cllr M Statham – Children's Services

1. Aim

1.1 To provide the budget monitoring position for Period 6 2025/26. The Chair requested that this item be considered by the Committee.

2. Recommendations:

The Committee are requested to:

2.1 Note the revenue and capital forecast for the financial year end 2025/26 for the services under the remit of the committee.

3. Report detail - Know

3.1 This report summarises the forecast revenue and capital financial position for 2025/26, based on the position to September 2025, for services within the remit of the Children's, Families and Education Overview and Scrutiny Committee, as reported to Cabinet on 15 October 2025. The full Cabinet report can be accessed by the following link:

Corporate Financial Performance 2025/26 - Cabinet 15 October 2025

3.2 The forecast revenue outturn for 2025/26 for the services under the remit of the Children's, Families and Education Overview and Scrutiny Committee is an overspend of £3.30m after the net use of reserves of £32.23m, as shown in **Table 1**. The forecast revenue outturn shown is based on actual information from the financial system as at the end of August 2025, and discussions with managers regarding year end forecast and achievement of approved savings.

Table 1: Forecast revenue analysis 2025/26 by Service						
Service	**Annual Budget**	**Year End Forecast**	**Net Use of Reserves**	**Action Plan**	**Draft Outturn after use of and transfer to Earmarked Reserves**	**Variance to Budget**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Children's Wide	0.42	0.47	(0.32)	0	0.15	(0.26)
Children in Care (CiC)	47.11	54.86	(4.62)	0	50.24	3.13
Children's Social Care Core	27.34	29.36	(1.39)	0	27.97	0.62
Early Help and Commissioning Services	5.33	5.86	(0.18)	0	5.68	0.35
Access and Inclusion	14.91	15.37	(1.00)	0	14.37	(0.53)
Education Funding-Accountable Body	(0.45)	23.69	(24.14)	0	(0.45)	0.00
Employment and Skills	0.18	0.75	(0.58)	0	0.17	(0.01)
Total Services within remit of Committee	**94.84**	**130.36**	**(32.23)**	**0**	**98.13**	**3.30**

3.3 The main variances are summarised in **Table 2** below.

Table 2: Reasons for revenue outturn variance		
Service	**Variance £m**	**Explanation of Year End Outturn**
Children's Wide	(0.26)	Release of uncommitted reserves in Children's services identified to support the directorates overspend position alongside earmarked corporate reserve support.
Children in Care (CiC)	3.13	Overspend linked to ongoing increases in costs of placements for Children in Care (CiC), placement sufficiency issues and increased complexity of the children entering care. Further detail is provided in Appendix 1.
Children's Social Care	0.62	• £0.10m increased demand for occupational therapy equipment • £0.12m staffing, agency and vacancy management pressures across the service • £0.24m increased demand for section 17 support • £0.16m other non-staffing pressures relating to travel, premises, security costs and contract increases.
Early Help and commissioning Services	0.35	Pressure within the short breaks service linked to increased demand to avoid children entering care and increased complexity of children using the service, partially offset by staffing underspends resulting from vacancies.
Access and Inclusion	(0.53)	• (£0.38m) Education Psychology investment received no longer required following a reduction in demand on the service linked to the impact of the DSG management plan and a successful recruitment and retention strategy reducing reliance on agency. • (£0.09m) School Improvement IT over-delivery of traded income. • (£0.06m) staffing underspends linked to vacancies
Education Funding-Accountable Body	0.00	No variance
Employment and Skills	(0.01)	Small underspend on staffing
Total Services within remit of this Committee	**3.30**	

3.4 Reasons for Movements

The June forecast position reported to Cabinet in July 2025 was an overspend of £2.48m therefore there is a net increase in the overspend of £0.82m over the period. The key reasons for movements are detailed in **Table 3** below:

Table 3: Reasons for movements in variance		
Service	**Movement £m**	**Explanation of Movement in Year End Variance**
Children's Wide	0.03	• £0.06m – Increase in vacancy management pressure • (£0.03m) – Increase in release of uncommitted reserves identified to support the directorates overspend position
Children in Care (CiC)	0.91	A detailed breakdown is provided in Appendix 1.
Children's Social Care	0.04	• £0.19m – Non-staffing pressures across the service. To include Mileage claims, Car Hire & Hotel & travel costs which have seen significant increase since 24/25. • (£0.25m) – Reduction in demand for legal proceedings, due to the reduced number of children entering care, in line with the 2024/25 outturn position. • £0.08m – Increased vacancy management and staffing pressure caused by providing cover for maternity leave as well as the use of agency for vacancy cover where necessary. • £0.02m - Other small movements
Early Help and Commissioning Services	(0.06)	• £0.08m – Increase in short breaks due to new starters and increases in existing packages. • (£0.05m) – Use of reserve to fund performance contract pressure • (£0.09m) – Reduction in staffing spend across Early Help and other minor movements
Access and Inclusion	(0.10)	• (£0.06m) – Increase in School Improvement IT over-delivery of traded income • £0.02m – Education Psychology movement due to timing of the early intervention project. • (£0.06m) - Underspend against the following DSG funded services, Early Years, Admissions and SEN Advisory. Potential revenue budget swaps will be explored to realign this underspend
Education Funding- Accountable Body	0.00	No movement
Employment and Skills	(0.00)	No movement
Total Movements for Services within remit of this Committee	**0.82**	

3.5 **Reserves**

Excluding the DSG deficit reserve, the total allocated reserves for 2025/26 for services under the remit of this committee are £10.24m, of which (£8.49m) has been used or committed to date and £0.40m will be transferred to reserves at the year-end, ringfenced for expected spend in 2026/27.

The use of reserves below is made up of:

- (£4.57m) use of Corporate growth contingency reserve (£1.00m home to school transport, £3.42m Children in Care, £0.15m Children's Wide)
- (£0.98m) Families First for Children pathfinder grant carried forward from 2024/25 and spent in full in Q1 of 2025/26
- (£0.71m) mediation reserve to cover cost of prior year health income which will not be received
- (£0.70m) external funding to support the Family Drugs & Alcohol Court Programme and Safeguarding Families Programme
- (£0.43m) net use of Supporting Families reserve
- (£0.12m) external funding to support the Family Hubs programme
- (£0.28m) use of Restart reserve to fund Staffing
- (£0.26m) use of EGP reserve to fund Staffing and Shaw Trust contract
- (£0.04m) use of Careers Enterprise Company reserve to fund Staffing

Table 4 below details the use of and transfer to reserves across the services within the remit of this committee.

Table 4: Summary of use of reserves and transfer to reserves				
Reserve Details	**Allocated reserve**	**Use of reserve**	**Transfer to reserve**	**Balance of reserve**
	£m	**£m**	**£m**	**£m**
Children's Wide	0.36	(0.32)	0	0.04
Children in Care	4.67	(4.62)	0	0.05
Children's Social Care	2.55	(1.39)	0	1.16
Early Help and commissioning services	0.72	(0.24)	0.06	0.54
Access and Inclusion	1.30	(1.34)	0.34	0.30
Education Funding-Accountable Body*	(29.89)	0	(24.14)	(54.03)
Employment and Skills	0.64	(0.58)	0	0.06
Total Reserves	**(19.65)**	**(8.49)**	**(23.74)**	**(51.88)**

*The negative reserve of £29.89m within Education Accountable Body relates wholly to the Dedicated Schools Grant (DSG) cumulative deficit. The expected overspend for 2025/26 is £24.14m which will be transferred to the deficit reserve at year end in line with government guidance. This deficit is held in an unusable reserve. The temporary statutory override prevents this deficit from being charged to the council's general funds or usable reserves. The override was first introduced to address the growing financial impact of DSG deficits with the intention of giving councils and government time to resolve the issues. The override has recently been extended to 31 March 2028 as part of the DfE spending review.

3.6 **Risks**

For the services under the remit of this committee, there are total risks of **£11.48** 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. There are high risks of £3.99m relating to Services within the remit of this committee. 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. A summary of the risk assessment is shown in **Table 5** below.

Risk RAG Rating	Value £m	Ongoing £m	One Off £m	Actions to manage risk
High	3.99	3.99	0	Continuous in-depth monthly review with finance and budget holders to monitor any cost and demand changes as early as possible and implement and mitigating actions required. Ensuring awareness of any legislative changes and understanding any financial impacts.
Medium	6.32	5.09	1.23	Monthly review of amber savings between finance and budget holders. Detailed monitoring of monthly costs and trends. Continuous in-depth monthly review with finance and budget holders to monitor any cost and demand changes as early as possible and implement and mitigating actions required. Health contributions reviewed monthly with the Lead Commissioner and Health Partners.
Low	1.16	1.16	0	Monthly review of staffing and agency across the service. Continuous monitoring of grant income and spend. Awareness of any legal proceedings.
Total	**11.48**	**10.24**	**1.23**	

The high risks (Red risk) that could negatively impact the current forecast position are detailed in **Table 6** below:

Table 6: High risks		
Service	**Reason / explanation of risk**	**£m**
Children in Care (CiC)	• £0.61m – Placement moves – During 2023/24 the service experienced a significant pressure linked to placement moves due to placement breakdowns, sufficiency issues and increasing placement costs. Although there was a reduction in this pressure during 2024/25 there is a risk this could materialise again in 2025/26. • £0.53m – Inflow / outflow – During 2023/24 an increased level of children entered care, in comparison to prior years. This created a significant pressure on the inflow / outflow budget. Although there was a reduction in this pressure during 2024/25, there is a risk this could materialise again in 2025/26. • £1.49m – Increased placement and support costs – Nationally, due to lack of sufficiency within the market and increasing complexities of cases, there has been a sharp rise in the number of children's placements costing £10k or more per week. Although the service continues to expand internal provisions and invest in early prevention services, there is a risk that the use of these high-cost placements is unavoidable resulting in further pressures within 2025/26. • £0.70m – Service led mitigations – To reduce the pressure which has materialised since budget setting, the service has identified a number of mitigations which are to be actioned during 2025/26. These include seeking health partner contributions for high-cost placements and reducing the cost of placements for a number of young people. If these are not actioned as agreed there could be a further pressure in 2025/26.	3.33
Early Help	Short breaks for children with complex needs – Short breaks costs relating to high-cost packages to support children with complex needs have increased throughout 24/25. This could increase further in year to support children and families and home and prevent children entering care.	0.61
Access and Inclusion	DfE communications relating to the Belonging Regs are resulting in several Local Authorities changing their stance on who holds financial responsibility for transporting a child. In the last academic year, Walsall received a net income from these recharges which is currently in forecast to continue but may be lost if more LAs change stance.	0.05
Total High Risks		3.99

The medium risks include the risk of:

- Underachievement of demand led savings
- Multiple remand entrants
- current ICB contributions towards placement costs reducing or ending at the next review date
- Abortive costs relating to school expansion schemes
- Increased cost and demand on home to school transport provision
- Increased demand on non-staffing budgets e.g. S17 and legal
- Risk of new burdens assigned without funding support given

3.7 **Service Transformation Plan Benefits**

Included within the budget for 2025/26 for services within the remit of this Committee are £8.21m of approved savings. **Table 7** gives an update on progress towards implementing these benefits:

Table 7: Delivery of 2025/26 approved savings – services within the remit of this Committee

Saving	Total savings £m	Delivered £m	To be delivered by 31/03/24 £m	Not fully guaranteed £m	At High risk of non-delivery £m
OP25 – Emergency foster carer scheme	(0.39)	(0.03)	(0.02)	(0.35)	-
OP10 - Further Recruitment & Retention of Internal Foster Carers	(0.60)	(0.16)	(0.10)	(0.34)	-
OP11 - Specialist Foster Placements	(0.83)	(0.15)	(0.25)	(0.43)	-
OP12 – Extend the Family Safeguarding programme into Corporate Parenting	(1.06)	(0.37)	(0.51)	(0.19)	-
OP24 – Placement sufficiency, an opportunity to open further residential homes from2025/26	(1.00)	(0.35)	(0.53)	(0.12)	-
OP20/21/22 Families First for Children Pathfinder Programme – additional connected carers/ care avoidance/ lower cost placements	(0.73)	-	-	(0.73)	-
OP13 – Continued focus on placement step downs	(0.44)	(0.12)	(0.32)	-	-
OP14/19 – Adolescent service – Complex needs and increase existing sustainability and transformation plans linked to Family Pathfinder	(1.95)	(0.73)	(0.40)	(0.82)	-
OP 26 – Housing project	(0.41)	-	(0.34)	(0.07)	-
OP 74 – Deletion of quality assurance officer post	(0.05)	(0.05)	-	-	-
2024/25- Reduction in home to school transport investment	(0.06)	(0.06)	-	-	-
OP15- Capitalise School Organisational Officer post	(0.05)	(0.05)	-	-	-
OP 27 – Development of a youth collaborative as part of the Children and Young People Alliance	(0.13)	(0.09)	-	-	(0.04)
OP 73 – Integrate parenting offer within Early Help and Children's Social Care as part of Family Help	(0.06)	(0.04)	-	-	(0.02)
OP77 – Integrate customer facing activity within HAF to the customer experience centre	(0.02)	-	(0.02)	-	-
OP16 – Home to School Transport Transformation Programme	(0.39)	(0.01)	(0.38)	-	-
OP75 – Review of statutory service provision	(0.04)	(0.04)	-	-	-
OP76 – Increase in traded services income	(0.01)	(0.01)	-	-	-
Total approved savings for services within remit of Committee	**(8.21)**	**(2.24)**	**(2.87)**	**(3.04)**	**(0.06)**

Each benefit is “BRAG” categorised as follows:

- Blue (delivered);
- Green (on track to be delivered with no issues at year end of 2025/26);
- Amber (not guaranteed at this stage but no major issues expected, some management action needed to ensure delivery) or,
- Red - (at high risk of not being achieved either in part or in full and therefore either alternative actions are required or a plan to ensure delivery is put back on track).

3.8 **Capital Forecast**

The capital programme for the services under the remit of the Children's, Families and Education Overview and Scrutiny Committee, as at the end of September 2025, is £20.11m. As at September, it was expected that £19.52m will be fully spent within the current financial year. A list of schemes within the remit of this committee is shown in **Table 8.**

Table 8: Capital Outturn 2025/26 – Services within the remit of this Committee						
Scheme	**Approved Budget** **£m**	**Actual year to date** **£m**	**Forecast Outturn** **£m**	**Year End Variance** **£m**	**Proposed Carry Forward to 2026/27** **£m**	**Variance Over / (Under)** **£m**
Council Funded schemes						
School Estate Condition Survey	0.05	0.02	0.05	0.00	0.00	0.00
Children's Residential Home	0.22	0.00	0.22	0.00	0.00	0.00
Refurbishment of homes to support Foster Carers	0.19	0.06	0.19	0.00	0.00	0.00
Mobile Youth Work Bus Revamp	0.00	0.00	0.00	0.00	0.00	0.00
Mosaic/ Fusion Build	0.01	0.00	0.01	0.00	0.00	0.00
Total Council Funded Schemes	**0.46**	**0.08**	**0.46**	**0.00**	**0.00**	**0.00**
Externally Funded Schemes						
Devolved Formula Capital	0.82	0.34	0.82	0.00	0.00	0.00
Capital Maintenance	3.80	2.67	3.20	(0.60)	(0.60)	0.00
Basic Need	6.68	0.50	6.68	0.00	0.00	0.00
High Needs Provision Allocation	6.97	2.91	6.97	0.00	0.00	0.00
Childcare Expansion	0.11	0.03	0.11	0.00	0.00	0.00
Family Hubs	0.09	0.00	0.09	0.00	0.00	0.00
Children's Residential Home (DFE Funding)	1.18	0.00	1.18	0.00	0.00	0.00
Total Externally Funded Schemes	**19.65**	**6.45**	**19.05**	**(0.60)**	**(0.60)**	**0.00**
Total Capital – Services within the remit of this Committee	**20.11**	**6.53**	**19.51**	**(0.60)**	**(0.60)**	**0.00**

4. Financial information

4.1 The financial implications are as set out in the main body of this report. The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council will take a medium-term policy led approach to all decisions on resource allocation.

5. Reducing Inequalities

5.1 Services consider and respond to equality issues in setting budgets and delivering services. Irrespective of budgetary pressures, the Council must fulfil equal opportunities obligations.

6. Decide

6.1 To note the recommendations as set out in this report.

7. Respond

7.1 The Executive Director for Children's Services, with finance in support will be working with Directors and Heads of service to review the forecast, to continue to implement mitigating actions for any further forecast overspends and to consider these financial implications in line with the council's budget setting process.

8. Review

8.1 Regular monitoring reports are presented to Cabinet to inform them of the financial forecast for 2025/26, including an update on risks and impact on the budget for 2026/27 and beyond.

Background papers: Various financial working papers

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APPENDIX 1

Children in Care (CiC) Financial Monitoring Position for Q2 as at September 2025 Overview

Local Authorities in England have a statutory responsibility for protecting the welfare of children and delivering Children's Social Care. Walsall has a proven track record of transformation that dates back to the launch of Walsall Right For Children where the vision is for "every child and family in Walsall is understood, feels happy and safe, with a strong sese of belonging enabling them to learn, achieve and succeed". The key principles include a focus on intervening early to meet need and providing the right help at the right time, avoiding escalation into more costly (to both the Local authority and family) statutory processes.

The council's strategic focus is on early intervention, local and stable placements, market management, and robust data analysis. The number of first-time entrants into care has reduced by 52% since 2022, there has been a relentless focus on providing multi-disciplinary support to families through the Family Safeguarding model which was implemented in 2021 and more recently Walsall has been a 'Pathfinder Authority' testing out Children's Social Care reforms. A key part of this reform work is supporting kinship carers and increasing kinship placement by providing better support drawn from across the partnership inclusive of the voluntary and community sector.

Walsall Council, in line with national statutory duties, continues to face significant pressures in securing sufficient, appropriate placements for children in care (CiC). The position in Walsall mirrors the national picture whereby the shortage of foster care placements and reduced use of wider settings has increased pressure on residential care.

As stated, Walsall's children in care population is falling but complexity and cost pressures are rising due to sufficiency challenges and changing needs. Placement stability is improving, but there is a shift toward higher-cost residential care, especially for those children with more complex emotional needs and adolescent where exploitation is a factor. Significant work is being completed to ensure mitigations are in place as though placement stability is improving, the numbers of children who move from foster placement into a children's homes and for those children whose cost of care increases within a children homes is significantly impacting the financial position.

Walsall has adopted the Valuing Care tool as a mechanism to better understand the needs of children both on an individual child level and at a broader population level as Valuing Care helps the service analyse needs and costs across cohorts of children. This supports and informs sufficiency planning by ensuring there are enough of the right type of placements and enables better commissioning and home finding decisions. Market shaping is central to the placement sufficiency strategy, and the development of the commissioning offer will further support this corporate priority.

Children in Care of the Local Authority

It should be noted that the forecast position reported in year is calculated based on the number and mix of children and young people (C&YP) at a point in time and is adjusted for anticipated placement moves and inflow/ outflow for the remainder of the financial year.

As at quarter 2, the total forecast for current placement and support costs for 2025/26 is **£50.24m**. This forecast is based on the current mix of children in care and the projected future demand for the remainder of the financial year. The current budget is **£47.11m**, therefore there is a forecasted overspend of **£3.13m**. The overspend is made up of the following:

- **£1.02m –** full year impact of high-cost placement moves and entrants to external residential care over and above what was expected within the MTFO during February and March 2025.
- **£2.03m** – significant placement cost increases due to lack of sufficiency within the market and increasing complexities of cases. To note, this is a nationally recognized pressure, and the Government have pledged to address the excessive profiteering of residential homes.
- **(£0.15m)** – additional grant income to support pressures within the service.
- **(£0.05m)** – non staffing expenditure for internal residential homes.
- **£0.98m** – net impact of placement movers including placement breakdowns and inflow/outflow to date following the realization of achieved savings and mitigating actions.
- **(£0.70m)** – use of reserves to offset the decrease in ICB funding for three young people in external residential placements for 2024/25 & 2025/26.
- To note, this position currently includes £0.70m of mitigating actions relating to ICB contributions, additional income and placement stepdown or cost reductions. If these mitigating actions are not achieved, the projected overspend will increase.

Movement from June 2025

The forecasted outturn position for September 2025 has increased by **£0.91m** since June 2025. The main reasons for this movement are:

- **£0.83m** – significant placement cost increases due to lack of sufficiency within the market and increasing complexities of cases. To note, this is a nationally recognized pressure, and the Government have pledged to address the excessive profiteering of residential homes.
- **(£0.15m)** – additional grant income to support pressures within the service.
- **(£0.05m)** – non staffing expenditure for internal residential homes.
- **£0.98m** – net impact of placement movers including placement breakdowns and inflow/outflow to date following the realization of achieved savings and mitigating actions.
- **(£0.70m)** – use of reserves to offset the decrease in ICB funding for three young people in external residential placements for 2024/25 & 2025/26.

As part of the budget setting process for 2025/26 £6.89m of savings were identified, with a further £0.52m of unachieved savings carried forward from 2024/25, which specifically relate to Children in Care. £4.37m of which have been or are expected to be achieved by March 2026. There is a risk that the remaining £3.04m may not be fully delivered in this financial year due to external factors that can influence the achievement. Extensive work is underway in the service to prevent further pressures on the financial position and support the full delivery of all identified savings.

Due to the on-going pressures described above, there was approved additional investment of £6.69m included in the budget for the financial year 2025/26 as well as ring fenced reserves of £3.42m to be used to support increased demand and cost that may arise in 2025/26.

Children’s Social Care Demand trends as at Quarter 2 2025/26.

Number of Children in Care by Placement Type

As of August 2025, there was 576 children in care (CiC) in Walsall. This has reduced over a 12-month period by 35, from September 2024, when there was a total of 611 children in care.

Year/Month	2020/21	2021/22	2022/23	2023/24	Aug 24/25	Sep 24/25	Oct 24/25	Nov 24/25	Dec 24/25	Jan 24/25	Feb 24/25	Mar 24/25	Apr 25/26	May 25/26	Jun 25/26	Jul 25/26	Aug 25/26
Total CiC	**673**	**661**	**651**	**663**	**622**	**611**	**614**	**602**	**596**	**590**	**583**	**579**	**567**	**576**	**568**	**568**	**576**

Although the total number of children in care has reduced, the table below shows how the use of placement types has changed over the same period, due to continued placement sufficiency pressures and increasing complexities of cases for CiC. This change in mix has contributed to budgetary pressures within the service for 2025/26.

Placement Type	2020/21	% of total	2021/22	% of total	2022/23	% of total	2023/24	% of total	2024/25	% of total	Jun 25/26	% of total	Jul 25/26	% of total	Aug 25/26	% of total
Internal Fostering	143	21%	132	20%	117	18%	107	16%	86	15%	86	15%	88	15%	87	15%
Connected Care	119	18%	119	18%	106	16%	107	16%	87	15%	92	16%	92	16%	93	16%
Respite Care / Adoption / Placed with Parents / NHS	83	12%	51	8%	70	11%	75	11%	51	9%	34	6%	38	7%	45	8%
Independent Fostering Agency	236	35%	261	39%	236	36%	241	36%	222	38%	222	39%	220	39%	218	38%
External Residential	53	8%	59	9%	70	11%	76	11%	88	15%	87	15%	79	14%	81	14%
Mother & Baby	5	1%	-	0%	1	0%	1	0%	-	0%	4	1%	1	0%	2	0%
Remand	3	0%	2	0%	12	2%	3	0%	-	0%	-	0%	1	0%	1	0%
Supported Accommodation	23	3%	30	5%	33	5%	41	6%	32	6%	21	4%	24	4%	25	4%
Internal Residential	8	1%	7	1%	6	1%	12	2%	13	2%	13	2%	16	3%	15	3%
Separated Migrant Young Person (SMYP)	-	0%	-	0%	-	0%	-	0%	-	0%	9	2%	9	2%	9	2%
Total CiC	**673**		**661**		**651**		**663**		**579**		**568**		**568**		**576**	

Reliance on the highest cost placements, external residential, has continued to increase over the period, with the number of placements increasing from 53 (8% of total placements) in 2020/21 to 81 (14%) in August 2025. This has been further impacted by an increased reliance on Independent Fostering Agencies (IFA) placements, which contributed to 38% of the total placements in August 2025 in comparison to 35% in 2020/21.

In comparison, the use of lower cost placements has decreased, with the number of Internal Fostering placements reducing from 143 (21%) in 2020/21 to 87 (15%) in August 2025 and Connected Care placements reducing from 119 (18%) in 2020/21 to 93 (16%) in August 2025.

Number of children entering and leaving care

The table below illustrates the number of children entering care to date for 2025/26 and the prior five-year inflow trends by placement type.

Placement Type	Apr - Aug 20/21	% of total	Apr - Aug 21/22	% of total	Apr - Aug 22/23	% of total	Apr - Aug 23/24	% of total	Apr - Aug 24/25	% of total	Apr - Aug 25/26	% of total
Internal Fostering	22	26%	11	15%	17	28%	12	15%	7	14%	14	22%
Connected Care	17	20%	8	11%	9	15%	4	5%	3	6%	13	20%
Respite Care / Adoption / Placed with Parents / NHS	14	16%	9	12%	9	15%	4	5%	11	22%	6	9%
Independent Fostering Agency	22	26%	32	43%	13	22%	33	41%	15	31%	14	22%
External Residential	5	6%	6	8%	3	5%	8	10%	4	8%	2	3%
Mother & Baby	1	1%	2	3%	2	3%	4	5%	0	0%	1	2%
Remand	2	2%	0	0%	4	7%	1	1%	0	0%	0	0%
Supported Accommodation	2	2%	7	9%	3	5%	15	19%	8	16%	11	17%
Internal Residential	0	0%	0	0%	0	0%	0	0%	1	2%	3	5%
Total CiC	**85**		**75**		**60**		**81**		**49**		**64**	

The number of children entering care from April to Aug in 2025/26 is higher than the prior year, but we are seeing more children enter into lower cost placements such as internal fostering and connected care. In total we have had 64 C&YP enter care (as at 01/09/2025). The table below shows the number of C&YP leaving care to date for 2025/26 and the prior five-year outflow trends. To note, this excludes those that have turned 18 as the financial impact of these have been considered within the forecast and budget.

	Apr - Aug 20/21	Apr - Aug 21/22	Apr - Aug 22/23	Apr - Aug 23/24	Apr - Aug 24/25	Apr - Aug 25/26
Number of C&YP leaving care	-43	-50	-52	-49	-70	-32

From April to Aug 2025, there were 32 C&YP who left care. This is lower than that of the prior five financial years and brings the net inflow / outflow for the period to 32, which is higher than last financial year.

Average weekly costs of placements

The chart below shows the average weekly cost of the four most utilised placement types for Walsall's CiC. The average weekly cost for an external residential placement has significantly increased from £4.5k to £7k (56%) over the last 5 financial years, and from £6.4k 12 months ago (11%). There are currently ten placements over the cost of £10k per week which is influencing this average cost. When removed the average cost reduces to £6,347 per week. This is significantly higher than the average weekly cost of an Internal Fostering placement of £624 p/w and Connected Care placement of £323 p/w.