

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

## **DRAFT REVENUE BUDGET & DRAFT CAPITAL PROGRAMME 2025/26 – 2028/29**

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

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

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# 1. Overview

The draft budget, as reported to Cabinet on 16 October 2024, includes an update on the medium term financial outlook (MTFO) for the four-year period from 2025/26 to 2028/29.

The MTFO is update for all known pressures, including best professional assumption around the cost-of-living impact and the impact of rising demand on our services.

Due to the size and breadth of cost pressures, this has had a significant impact on the assumptions in relation to the 2025/26 budget, with additional growth and demand pressures now required of c£48.87m, resulting in a budget gap of c£11.05m.

The proposals set out in this report do not yet balance the budget for 2025/26, so there will be a requirement to report back on changes and options to close the gap at the January 2025 meeting of Cabinet.

The final draft budget will be considered by Cabinet on 12 February 2025 for recommendation to Council on 26 February 2025.

## 2. Growth and Demand Pressures

Those growth and demand pressures relating to the remit of this Committee are shown at **Appendix 1** of the report and total **£21.78m** over 4 years.

The key investments relating to the remit of this committee include:

- Provision for future demand, placement moves, and cost increases relating to Children in Care;
- Provision for expected increases in fees paid to internal carers and the allowances paid to foster carers, special guardians and staying put placements;
- Expected inflationary increases to current framework placements;
- Additional staffing resource to meet increased demand;
- Investment to support the costs of new savings initiatives including an emergency foster carer scheme, the national housing project, and the opening of a new internal residential home.

# 3. Savings Proposals

Those savings proposals relating to the remit of this Committee are shown at **Appendix 2** of the report and total **£23.41m** over 4 years.

The key savings relating to the remit of this Committee include:

- Further recruitment and retention of internal foster carers;
- Creation of an emergency foster carer scheme;
- Extension of the family safeguarding model into corporate parenting;
- Continued focus on placement step downs;
- Implementation of new adolescent service supporting children with complex needs;
- Implementation of the Families First for Children Pathfinder;
- Implementation of the National Housing project scheme;
- Cost reductions expected from the creation of additional internal residential placements.

## 4. Draft Capital Programme

Those council funded schemes relating to the remit of this Committee are shown at **Appendix 3** of the report totalling £205k over 4 years. There are no external funded schemes reported within **Appendix 4** of the report.

The key capital projects within the remit of this Committee are:

- Funding to support foster carers and special guardians to alter or expand their homes;
- Funding to support the creation of a new internal residential home.

## 5. Overview of prior year budgets

As requested, an additional report summarising the budget growth over the past four years, relating to the remit of this Committee, has been included within **Appendix 5** of the report.

Since 2022/23, the growth and demand pressures relating to the remit of this committee total £35.94m. During the same period savings of (£10.44m) have been identified, reducing the total net investment down to £25.50m.

The net investments detailed above (excluding 25/26), in addition to in year adjustments across the directorates, have increased the total Children's Services budget by £25.84m, from £52.34m in 2021/22 to £78.19m in 2024/25.

Of the £25.84m budget increase, £21.39m lies within the Children in Care (CiC) placement budget due to significant demand led pressures which have been detailed within the report. To mitigate the impact of these pressures the service has identified multiple remedial actions and savings proposals, which has reduced the net investment request for 2025/26 to £0.15m.

Of the £25.84m budget increase, £5.27m lies within the Children's Social Care core budget. Over the past four years, the service has focussed on developing a stable workforce to reduce reliance on agency and provide the best service and outcomes for C&YP. In addition, there has been multiple investments linked to savings, including the creation of new teams, running costs of multiple new children's homes and increased demand for Section 17 support.