

**Children's Services
Overview and Scrutiny Committee**

29 January 2024

Update on Draft Revenue Budget 2024/25 – 2027/28

Ward(s) All

Portfolios: Cllr S Elson – Children's

1. Aim

- 1.1 To inform the Committee of the changes to the draft revenue budget 2024/25 – 2027/28 from what was previously reported to the Committee on 2nd November 2023.

2. Recommendations

The committee are requested to:

- 2.1 Note the changes to the draft revenue budget 2024/25 – 2027/28 from what was previously reported to the Committee on 2nd November 2023 and the reasons for the changes.

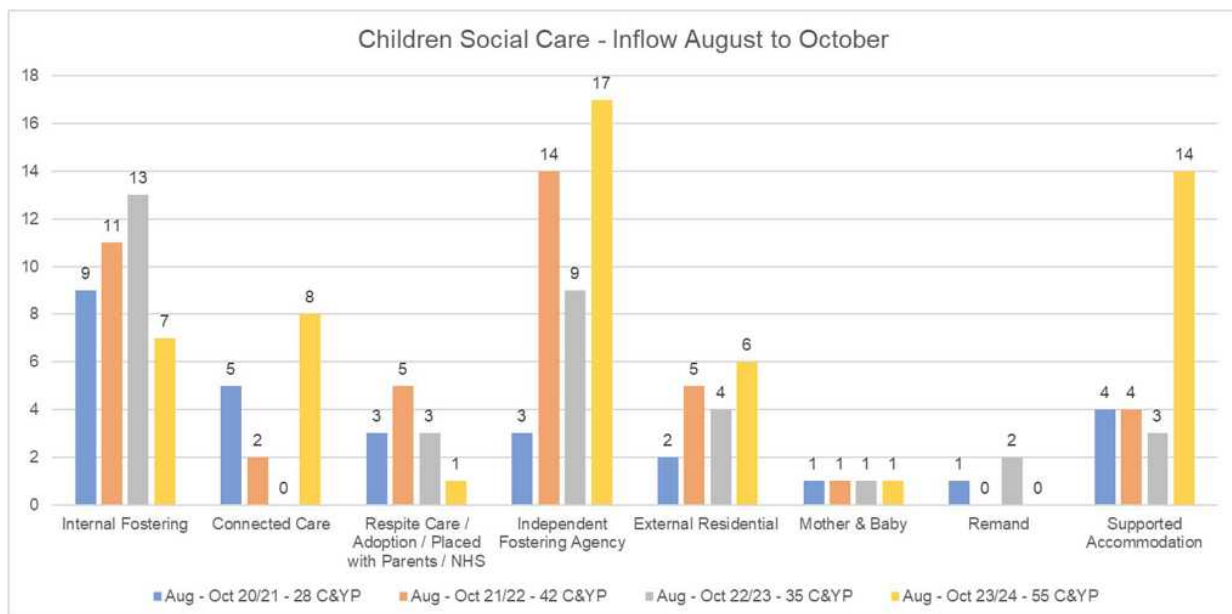
3. Report detail – Know

- 3.1 On 2nd November 2023, a report was presented to Children's Services Overview and Scrutiny Committee detailing the proposed draft budget for 2024/25 – 2027/28. This was inline with the budget report presented to Cabinet on 18th October 2023.
- 3.2 Following this, the Medium Term Financial Outlook for Children's services was updated to reflect the most current information available linked to the number of children in care and updated costs. This resulted in changes to the required future investments and savings for Children's services as reported to Cabinet on 13th December 2023.

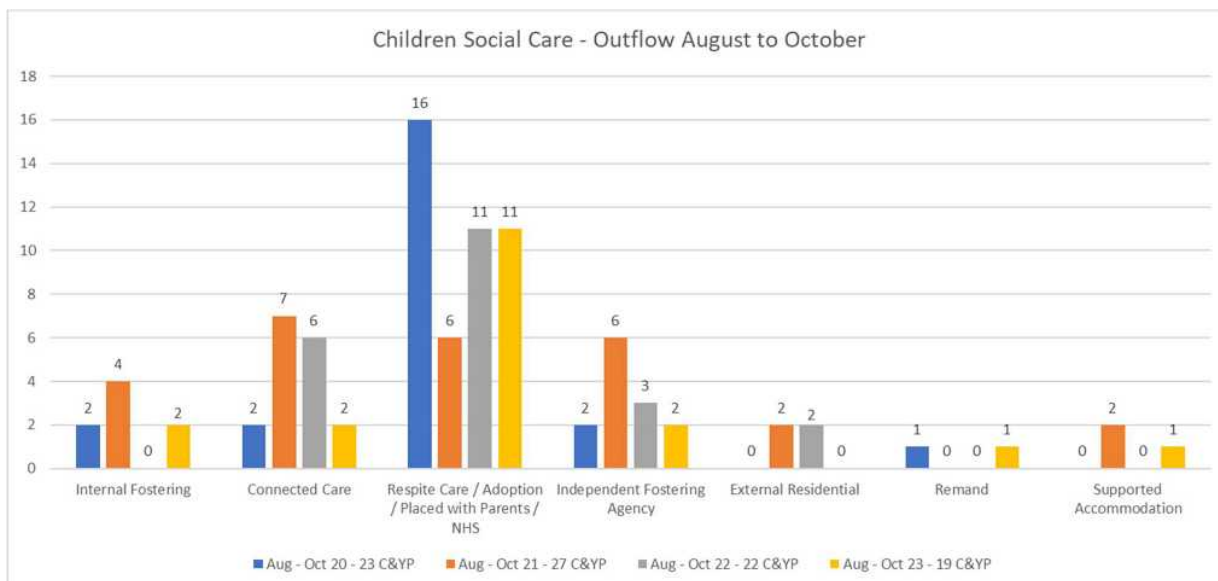
The changes to the MTFO are detailed in Table 1 below:

Table 1: Movement in Children's Services MTFO					
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Changes to Investments					
Inv 65 – additional children in care demand / cost pressures	2.60	1.02	0.46	0.34	4.43
Inv 68 – Early Help removed as offset by saving	(0.89)	0.00	0.00	0.00	(0.89)
Inv 76 – Placement costs – Inflationary increases for external framework placements	(1.18)	(0.06)	(0.06)	(0.06)	(1.37)
Inv 79 – Children's residential homes revenue costs reviewed	0.00	(0.04)	0.05	0.00	0.01
	0.53	0.92	0.45	0.28	2.18
Changes to Savings					
OP59 – Early Help removed as offset by investment	0.89	0.00	0.00	0.00	0.89
OP63 – Placement Sufficiency – opening of further homes – revised following business case	0.00	0.04	(0.11)	0.00	(0.07)
OP65 – Adolescent service linked to investment rephased as to now commence January 2024	0.01	(0.01)	0.00	0.00	0.00
	0.90	0.03	(0.11)	0.00	0.81
Net Movement In MTFO	1.43	0.95	0.34	0.28	2.99

- 3.3 To note, changes to Inv 68 and OP 59 net to nil by removing both the saving and investment.
- 3.4 The small changes to Inv 79, OP 63 and OP 65 are due to rephasing of the projects and changes in implementation dates.
- 3.5 Children's demand services investment request (Inv 65 & 76) has increased by £1.4m since the previously reported MTFO. The movement in investment takes in to account the changes in mix and the impact of children entering and exiting care between August and October.
- 3.6 The primary reason for the increased investment request is linked to an extraordinary increase in the net number of children entering and exiting care during this period.
- 3.7 The chart below compares the number of children entering care between this period in 2023/24 to the same period over the prior three years. During this period in 2023/24, 55 children entered care of which 10 children were following a new referral into Children's services, 7 were part of 2 larger sibling groups and 13 were separate migrant children.



- 3.8 This pressure has been further impacted by the increased reliance on Independent Fostering Agency and External Residential placements during this period in 2023/24. To note, the growth in Supported Accommodation placements primarily relates to the increased intake of Unaccompanied Asylum-Seeking Children, however this pressure has been offset by additional UASC income.
- 3.9 The number of children exiting care during this period has also reduced compared to prior years. This can be seen in the chart below. To note, this excludes those that have turned 18 as the financial impact of these have been considered within the forecast and budget.



3.10 Children's services have undertaken remedial action to understand and analyse the increases seen and to embed new ways of working across early help and children's social care seeking to strengthen support provided at an earlier opportunity. There will be continued focus on understanding and pre-empting the needs of children requiring our support, so we can attempt to target these children and meet need at the earliest opportunity. In addition to these immediate actions, there is continued focus and reflection on how a revised commissioning strategy could support these challenges in the medium term.

3.11 To note the increase in the investment request relates to the ongoing cost of the increased number of children in care currently. It does not assume that the extraordinary increase in the number of children entering care seen in 2023/24 will continue going forward based on the assumption that the mitigating actions will prevent this from continuing.

Resource and Legal Considerations

Cabinet on 13 December 2023 were presented with a list of movements in the MTFO since reported to Cabinet on 18 October 2023.

The full Cabinet report can be accessed at the following link:

[Draft Revenue Budget and Draft Capital Programme 2024/25 to 2027/28 - Cabinet 13 December 2023](#)

Reducing Inequalities

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil its equal opportunities obligations.

4. Decide

4.1 This Committee is asked to note the changes to the draft revenue budget 2024/25 – 2027/28 from what was previously reported to the Committee on 2nd November 2023.

5. Respond

5.1 This report is for noting and comment by the Committee as above.

6. Review

6.1 This report is for noting and comment by the Committee as above.

Background Papers

- Various financial working papers.
- Corporate Financial Performance 2022/23, as reported to Cabinet on 14 December 2022.
- Draft Revenue Budget and Draft Capital Programme 2024/25 – 2027/28 as reported to Children's Services Overview & Scrutiny Committee on 2nd November 2023

Contact Officers:

Colleen Male – Executive Director - Children's and Customer ☎01922 653718,

✉ Colleen.Male@walsall.gov.uk

Ross Hutchinson – Head of Finance ☎01922 658411

✉ Ross.Hutchinson@walsall.gov.uk

Tanya Collier – Finance Manager Children's & Education Services ☎01922 652346

✉ Tanya.Collier@walsall.gov.uk