

Children's Services – Budget Monitoring Update Q2.

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This briefing note has been prepared to provide an update in respect of the projected overspend/issues in Children's Services.

In totality it is currently forecasted that the Children's Services budget for 22/23 will be overspent by circa £1.5m.

The main areas of focus are as follows:

- Home to School Transport
- Placements
- Agency
- Impact of Asylum Hotel
- Children's Services Social Care System

Area:	Projected Outturn Position 22/23 (£)	Notes
Home to School Transport	£341,000 over budget	This projected overspend is due to a combination of factors including, fuel increases, lack of competition and sufficiency in the market including lack of multi-seater vehicles, demand for single occupancy taxi's, struggling to appoint drivers, and re-tendered contracts coming in at increased prices. This is a 'demand led' service with more children requiring and being eligible for transport. The current forecast is a 10% increase in spend when compared to 21/22.
Placements	£1.3m over budget	The majority of the pressure within placements relates to residential provision and also additional costs being incurred in unregulated placements. The lack of placement sufficiency nationally also adds to our cost pressures.
Agency	£117,500 under budget	In Sept 21 there were 53 agency workers at a forecast cost of £4.9m, in Sept 22 that was 22 agency workers and a forecast of £2.4m.
Impact of Asylum Hotel	Approx £1.25m over budget (Including on costs) - the forecast variation is an estimate which could significantly vary by year end	One cost which will be closely monitored for the rest of the year will be the costs associated with Unaccompanied Asylum-Seeking Children (UASC), and in particular those associated with the Asylum Hotel in Torbay. We currently have 27 UASC and are incurring additional costs in connection with the Asylum Hotel, these costs will not be fully

	depending on actual demand, cost and grant.	funded from the grant we are able to claim from the Home Office. We are able to claim £114 per day for cared for UASC (£143 per day if they transfer via the National Transfer Scheme), and £38.57 per day for post 18 care experienced young people.
Re-Implementation of elements of the Children’s Services Social Care System and related performance dashboards	£238,000 over budget	These are costs associated with the re-implementation of certain elements of Liquid Logic.

Please Note: For awareness – the Higher needs block is forecast £11.8m overspend (22/23) with a projected year on year increase – there is a statutory override in place until 31/03/2023 which is highly likely to be extended beyond this. Torbay Council is presently in talks with ESFA re the Safety Valve Programme which will enable us to deliver a balanced budget by 2026/27 and potentially receive support in reducing the cumulative deficit.