

2025/26 Children, Young People & Families Scrutiny – Quarter I Finance



This report aims to highlight key areas of risk and challenge within the Children, Young Families and People (CYPF) Service, the Education, Participation & Skills (EPS) Service, and the Central Spine. It also provides a summary of the 2025/26 financial forecast as at the end of the reporting period.

The information presented has been subject to prior review and scrutiny by the Service Director and Heads of Service within CYPF, in preparation for a formal scrutiny session chaired by the Director of Children's Services.

CHILDREN, YOUNG PEOPLE & FAMILIES

Previous Years Outturn Comparison

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Budget	42.174	42.769	51.031	50.538	60.678	73.281
Outturn	47.067	52.777	55.475	59.431	71.187	73.281
Variance	4.893	10.008	4.444	8.893	10.509	0.000

Placement Pressure	4.947	7.282	4.977	7.990	6.160	0.000
Staffing & Agency	0.000	0.000	0.000	0.000	1.210	0.000
Delivery Plans	0.703	0.559	0.000	1.989	3.139	0.000
Placement Assumptions and FHfCFC	0.000	0.000	0.000	0.000	0.000	0.000
Staffing Assumptions	0.000	0.000	0.000	0.000	0.000	0.000
Non-Placement (Agency/Legal/Contracts)	(0.757)	2.167	(0.072)	(0.234)	0.000	0.000
Other Adjustments - (ODPH/DSG)	0.000	0.000	(0.461)	(0.852)	0.000	0.000
	4.893	10.008	4.444	8.893	10.509	0.000

Financial Overview and Risk Assessment

The table above outlines the outturn position for previous financial years in comparison to the full-year budgets set for those periods. Variances have been broken down by expenditure type. Historical data indicates that key areas of financial risk include Placements, Agency Costs, and Delivery Plans.

In response to these challenges, a substantial budget uplift has been allocated for 2025/26, aimed at mitigating the critical risk areas identified. Notably, significant growth has been applied to the Placements budget, and Delivery Plan targets have been restated. Additionally, the staffing budget is under review in alignment with sector reforms, which are expected to address issues related to vacancies, caseloads, and reliance on agency staff.

Growth Items	Amount 2025/26 (£m)
Placement Cost & Volume	11.780
Removal of Existing Delivery Plans	3.446
Foster Carer - Incentives	0.413
Recruitment & Retention of Staff	0.399
National Insurance & Pay Award	0.812
Growth included in Placements Savings Targets	0.660
Total	17.510

Savings Proposals	Amount 2025/26 (£m)
Implementation of National Social Care Reforms	(1.132)
Placement Related Delivery Plans	(2.327)
Removal of Capital Flex Receipts	(1.448)
Total	(4.907)

Children's Growth

12.603

CYPF Full Budget and Forecast Monitoring

Financial forecasting at Month 3 Indicates an adverse variance to Budget of £0.418m. These are unmitigated pressures within Children's Placements.

There are also indicative pressures within staffing, primarily down to agency staff and vacancy savings targets, however these costs are mitigated through the planned exit dates of agency staff through Quarter 2

Children, Young People and Families Department		Budget £m	Forecast £m	Var £m	RAG (mitigations)
Independent & Internal Placements		52.910	53.328	0.418	
Pressure:	Increase in Residential and Unregistered Placements			0.418	
Staffing & Recruitment		21.148	21.148	-	
Pressure:	Interim Agency cover			0.050	
	Gross Agency Spend through Quarter 1			0.573	
	Quarter 1 Vacancy Saving Target			0.238	
Mitigation:	Vacancy Savings from Budget Permanent posts held Vacant			(0.795)	Amber
	As per the reform redesign, the forecast is front loaded with Agency Staff. These members of staff will begin to leave the structure through Q2			(0.066)	Amber
CYPF Placement Delivery Plans & Additional Savings Required		(2.795)	(2.795)	-	
Pressure:	Unachieved Delivery Plans at Month 3			1.714	
	As part of the Council Wide budget gap allocation in 2024/25. £1.1m was allocated to Children's Services. £700k was permanently identified in 2024/25, and the balance is shown as a pressure.			0.468	
Mitigation:	FHFPC Workstream, Reunification & Reconnect Partnership working to identify Children transitioning into alternative placement			(1.714)	Green
	Structure Redesign to align with National Reforms. This redesign should address the services apportionment of Council Budget Gap			(0.468)	Green
CYPF Service Delivery Costs - Statutory Support & Prevention		4.606	4.606	-	
CYPF Team Costs		3.809	3.809	-	
CYPF Income		(6.396)	(6.396)	-	
Total		73.281	73.699	0.418	

Budget Areas	2025/26 Approved Budget	Month 2 Forecast	Month 3 Forecast	Change in Period	Variance to Budget	Comments
	£m	£m	£m	£m	£m	
CYPF						
Services						
Independent & Internal Sector Placements – Brokerage Team Salaries	52.910	52.910	53.328	0.418	0.418	Placement Expenditure: Both Looked after and Non-Looked After
Child Protection	6.373	6.373	6.373	0.000	0.000	Statutory Service: Mainly children in need and children on child protection plans
Permanency	5.102	5.102	5.102	0.000	0.000	Statutory Service mainly children in the Council's Care and Care Experienced young people
Targeted	2.925	2.925	2.925	0.000	0.000	Part Stat / Non-Stat including Independent Review Service
IRT / MASH / Front Door	2.712	2.712	2.712	0.000	0.000	Service Director / HOS / Central Service Costs (Legal, Parking)
QA Safeguarding and Bus Suppt	2.545	2.545	2.545	0.000	0.000	Statutory Service
CYPF Central Costs	1.78	1.78	1.780	0.000	0.000	Non-Stat
Adoption	1.118	1.118	1.118	0.000	0.000	Adopt South West Contract
CAMHS Specialist Services	0.611	0.611	0.611	0.000	0.000	CAMHS Contract
CYPF Placement Delivery Plans	(2.327)	(2.327)	(2.327)	0.000	0.000	Long Standing Delivery Plans + 2024/25 Increased Savings
Additional Staff Savings Required	(0.468)	(2.327)	(0.468)	0.000	0.000	Future Placement Changes
Total CYPF	73.281	73.281	73.699	0.418	0.418	

- Current Forecast at Month 3 Indicates a £0.418m variance to budget
- Of the Delivery Plan Targets £0.613m has been achieved
- £0.468m still be achieved through the Staffing National reform redesign work – this remains a risk

Placements

2025/26 Cost & Volume Modelling			Monthly Monitoring			
Type of Placement	Estimated Numbers	Forecast Budget	Actual Numbers	Forecast Budget	Variance No.	Variance £
External Residential - Spot Purchase/Framework	45	£16.332	47	£16.793	2	£0.461
External Residential - Keys Block Contract	17	£6.065	17	£6.065	0	£0.000
Unregistered	7	£4.906	9	£4.868	2	(£0.038)
External Fostering	154	£9.767	131	£8.876	-23	(£0.891)
In-House Foster Care	140	£4.006	161	£4.006	21	£0.000
In-House Connected Carers	50	£1.195	53	£1.195	3	£0.000
External Supported Living	40	£4.033	44	£4.469	4	£0.436
External Supported Living - Block	9	£0.777	9	£0.777	0	£0.000
Secure Placements	1	£0.345	1	£0.345	0	£0.000
Parent & Child	4	£0.998	2	£0.998	-2	£0.000
Other Looked After Children (Placed with Parents/NHS)		£0.000		£0.000		
LOOKED AFTER CHILDREN	467	£48.424	474	£48.393	7	(£0.031)
SGO, Adoption & Residence Orders	245	£2.541	245	£2.377	0	(£0.164)
Care Leavers	30	£1.122	30	£1.122	0	£0.000
PLACEMENT - NOT LOOKED AFTER	275	£3.663	275	£3.499	0	(£0.164)
Placement Savings Moved to Delivery Plans				£0.613	0	£0.613
DELIVERY PLAN TOTAL		£0.000		£0.613		£0.613
TOTAL	742	£52.086	749	£52.505	7	£0.418

A programme of work is in place in response to these placement budget pressures to ensure children experience the right home from when they first come into care and for more children to experience permanence in fostering settings. The Family Homes for Plymouth Children Programme includes work to ensure the right children are in care, to improve local sufficiency of fostering and residential provision, including by opening our own children's homes, and to ensure all children experience stable and permanent arrangements. However, despite progress in some areas, the national reduction in fostering provision continues to impact locally leading to some children with more challenging behaviours being placed in residential and in turn this is leading to a small group of young people being placed in unregulated arrangements, as no regulated placement can be found nationally which will meet their needs.

Quarter 1 Placement Pressures – Financial Overview

During Quarter 1, the service has experienced a placement-related financial pressure of £0.418m. This area remains high-risk due to its inherent volatility and has been RAG-rated accordingly.

Throughout the quarter, a number of Residential and Unregistered High-Cost Placements have been required. These have fully utilised contingency funds that were available from children transitioning out of these placement types prior to the start of the financial year.

Residential placements currently exceed the budgeted provision by two, with recent panel decisions indicating further Residential

Placement searches have been approved. Unregistered placements are also above budget. However, these pressures have been partially mitigated by a notable reduction in Independent Fostering placements.
Significant new placements in 2025/26 to date include:

- 1 Residential Placement (transitioned from In-House Fostering) – £11,000 per week
- 1 Residential Placement (transitioned from In-House Fostering) – £16,150 per week
- 1 Unregistered Placement (transitioned from Hospital) – £21,500 per week (Tier 4 – Joint Funding assumed)
- 1 Residential Placement (transitioned from Independent Fostering) – £11,133 per week

If placement volumes and Children in Care levels remain stable, the elevated weekly costs that are above the budgeted average will continue to exert financial pressure. This underscores a broader risk regarding the availability and sustainability of suitable placements.
To address this pressure, a new Market Development Plan is in place supported by a dedicated Commissioning Lead to develop increased sufficiency of local fostering homes and residential children’s homes. Plans to open our own children’s homes currently include the development of two new homes in Plymouth meeting a range of priority needs with the first scheduled to open in the summer of 2026, subject to Ofsted registration. Capacity in the Brokerage Team has been strengthened to ensure we access high quality placements for all children.

Fostering – Quarter 1 Update

Fostering recruitment and improved support to our foster carers are key priorities of the Family Homes Programme. A new marketing campaign is in place including flooding social media and utilising the support of key business partners across the city to increase interest in Fostering for Plymouth. We are also part of the regional SW Fostering recruitment hub. Commitments from the annual summit with foster carers have been implemented to improve support and remuneration to foster carers, including foster carers being exempt from Council Tax and now launching three Mockingbird constellations, where groups of foster carers come together to support each other as an extended family would.

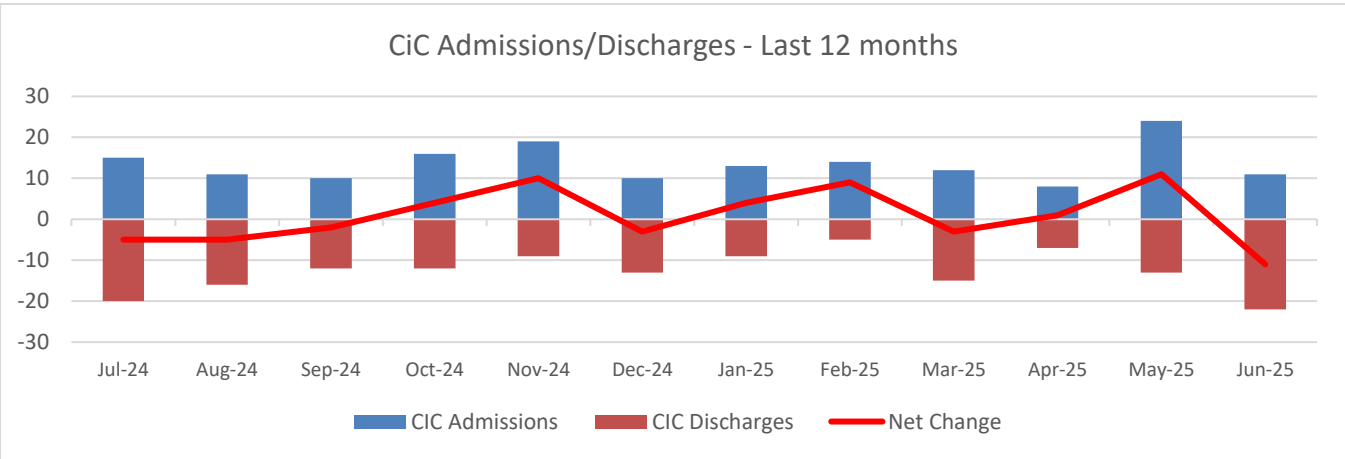
Foster for Plymouth, our in-house fostering service, continues to demonstrate the anticipated growth outlined during budget preparation. The number of children placed in this setting (including Connected Carers) has increased from 187 at the start of the 2024/25 financial year to 214 as of Quarter 1 in 2025/26. This growth was planned and budgeted for, and as such, has not resulted in any adverse financial pressure for the department.

This positive trend has also contributed to a significant reduction in Independent Fostering placements, with decreases broadly aligned to the growth in In-House provision. This shift has generated a favourable variance in the department’s financial monitoring position.

Additionally, Special Guardianship Orders, Adoption, and Residence Orders have collectively contributed a positive budgetary variation of £0.164 million. The Family Homes programme includes work to strengthen support to Special Guardians and kinship carers to enable more children to leave care through a special guardianship route.

The decline in numbers of children placed with Independent Fostering Agencies, as a result of a reduced number of placements available, alongside rising number of children in residential placements creates a significant financial pressure. It would typically be expected that IFA numbers remain relatively stable, with a slight reduction in the number of children in residential placements. This trend highlights the ongoing national shortage of foster carers and suggests a shift in placement dynamics that have led to the Family Homes programme.

As of 30 June 2025, 528 children are in care.



Achieved Delivery Plans to Date – Successful Step Forwards

A key strand of work of the Family Homes programme is supporting children to step down from residential children's homes to foster families in line with their agreed care plan. Of the 64 children in children's homes currently, 34 are identified as being ready for a family setting but despite extensive national searching, suitable families cannot be identified and as a result children remain in high-cost institutional settings. In response, a High Support scheme has been developed to support our own foster carers to take children currently in residential care, and we have commissioned an organisation who are undertaking targeted foster carer recruitment and support for an agreed cohort of children.

The below table shows the children who have successfully stepped forward into new lower cost and family placements this year, through careful planning and support. These are success stories and should be treated and highlighted as such. The cashable savings achieved from these placement moves are being captured as delivery plans.

End of Financial Year		31/03/2026	Total	(£613,294.20)		(£613,294.20)
Details						Family Homes for Plymouth Children
Child NO.	Current Weekly Fee	New Weekly Fee	Date Stepped Forward	2025/26 Savings Achieved	Comments	
1	£5,699.40	£0.00	20/05/2025	(£257,287.20)	Moved to Block	
2	£6,450.00	£1,589.00	18/06/2025	(£199,301.00)	Moved to 16+ Supported Living	
3	£5,950.00	£1,961.12	30/06/2025	(£156,706.00)	Moved to 16+ Supported Living	

Whilst the above highlights the cashable savings achieved by the service, it is also important to note and track the Cost Avoidance decisions that have been made. These are decisions which are made both inside and outside of Panel, where the resulting impact prevents further cost pressures being realised. These have been summarised below.

Cost Avoidance	£
Existing CIC - New Placement Avoided	(973,419)
Increase in existing Placement Package Diverted	-
Panel decisions – pre proceedings/legal/testing	(61,119)
Admission into Care avoided	-
	(1,034,538)

Examples –

SF – IFA foster placement disrupted and no alternative foster placement could be found. An in house foster carer offered a bridging placement while we searched for residential. We were offered and accepted a Residential Children's Home with Idem, and the cost was £13,000 per week (plus an additional cost for school transport). The in-house Foster Carer was exploring a step out of residential which did not progress, so she offered for SF. We are paying Mainstream Enhanced so currently £490.66 per week.

BW – In house placement was at breaking point due to lack of therapeutic support to the carers from CAMHS and feeling unable to give BW what he needed and reduce working hours to be more available. We searched for a residential and were progressing with a move into one of the Keys Block beds. In discussion with the carers, we were able to stabilise the home with them by paying the High Support Costs (£840)

Staffing & Recruitment – Reform Update

The below report outlines the financial performance and staffing structure for the Children, Young People and Families Directorate for Q1 of the 2025/26 financial year. It highlights key savings, expenditure, and staffing decisions that have impacted the budget.

The total budget for Staff Salaries and on costs is £21.148m. For the redesign to be financially successful, two things must be achieved –

- the proposed structure must balance to the Target Budget as per above
- it is also required to address the Council's wider Budget Gap target which was apportioned in 2024/25. The Department

was allocated a target of circa £1.1m, of which £700k was achieved permanently in 2024/25. The balance of £468k is to be achieved in 2025/26

The structure allows for new ways of working, reducing our reliance on agency staff. Current proposals are calculated, and due to holding a number of posts vacant, the service is able to achieve a balanced staffing budget through 2025/26. This achieves the 5% Vacancy saving target whilst also addressing the In-Year agency pressure. This however must be flagged as a financial risk – if recruitment is unintentionally delayed, and filling statutory posts proves difficult, it is likely that Agency staff will still be required past the October cutoff date.

A total saving of £795k was achieved over the first three months of the financial year for permanent members of staff. This figure represents the difference between permanent staff actual expenditure and the allocated budget. However, during this same period, we have incurred £573k in agency staffing costs - covering 27 currently employed temporary staff members over the whole service. Additionally, the directorate is still required to meet a vacancy savings target of £238k for Q1.

After accounting for both savings and outstanding targets, the net position for Q1 is a £16k overspend. This pressure is mitigated with the view that the structure is front loaded with agency staff in 2025/26, and as more staff begin exiting the Authority, further savings will be realised

Staff Reform	Amount 2025/26 (£m)
Saving from Permanent Staff	(0.795)
Current Agency Cost	0.573
Vacancy Savings to Achieve	0.238
Total	0.016

In response to recommendations following an OFSTED inspection, 3 new Personal Adviser posts have been added to the staffing structure to help with reducing current case loads

As at Quarter 1 - there are 59 Vacant Post (27 of which are covered by Agency worker). This is broken down as follows:

- Management - 1 Vacancy - 1 Covered by Agency
- IFD - 6 Vacancies - 2 Covered by Agency
- Family Help & YJS - 16 Vacancies - 6 Covered by Agency
- Child Protection - 13 Vacancies - 12 Covered by Agency
- Permanence & Fostering - 11 Vacancies - 5 Covered by Agency
- QA & Safeguarding - 11 Vacancies - 1 Covered by Agency
- Central Spine - 1 Vacancy

2025/26 Flexible use of Capital Receipts – Transformation

The One Children's Services (OCS) Improvement and Transformation Programme 2024 – 2027 was established in December 2023 in response to performance challenges faced by the Directorate. Specifically, the following objectives for the programme were listed in the Programme Definition:

- Deliver improvements in response to the outcomes of CYPFS OFSTED Inspection (Front Doors Dec. 2022) – to get to 'good'
- Deliver improvements in response to the outcomes of the SEND OFSTED Inspection – to get to 'good'
- Respond to National policy agendas, e.g. Children's Social Care Reform and SEND Reform
- Stabilise our budget position in response to the increasing costs and demand in key areas and provide value for money across all activities, including children's placements and SEND provision
- Respond to the changing levels of demand for Children's Social Care Services and cost of children in care placements
- Respond to the increasing costs and demand in School Transport
- Embrace opportunities in universal service delivery and early help across all Children's Services, delivering family hubs and locality models or working
- Respond to the workforce issues in Children's Service e.g. inexperienced workforce and use of agency workers – developing a skilled workforce to meet levels of demand
- Maximise opportunities to embrace new technology to embed data, intelligence and insight practices.

The work of the programme continues into Year 2 of a 3-year programme.

Current forecast on 2025/26 spend is as follows – Total forecast £855k

2025/26 Capital Programmes

The service is also subject to Capital Borrowing charges from the Corporate Centre. This is primarily down to capital investment in Foster Carer home adaptations, as well as a recently approved case for the procurement of 2 Residential Homes.

Any updates on the progress of the Residential Homes are captured at Family Homes for Plymouth Children board.

The charges are captured as part of Budget preparation and built into the full year budget within the correct service area. The majority of these are placement related.

Project Name	Term	Rate	Amount of Borrowing (£)	Year of Expenditure	Annual Charge (£)
	(Years)				
Foster Home Adaptation - Child PER26593	10	1.50%	144,231	2021/22	15,640
Foster Home Adaptation - Child PER13698, PER21137 & PER32902	20	5.10%	7,693	2022/23	623
Foster Home Adaptation - Child PER13698, PER21137 & PER32902	20	5.10%	38,260	2023/24	3,096
Foster Home Adaptation - Child PER13698, PER21137 & PER32902	20	6.75%	3,565	2023/24	330
Foster Home Adaptation - Child PER26650	9	6.75%	47,424	2023/24	7,202
Development of Children's Homes (Project A)	20	6.75%	8,120	2024/25	752
Development of Children's Homes (Project A)	20	6.75%	1,991,880	2025/26	184,382

Financial Risks

- Suitable placements aren't available for our Children identified in the FHfPC program. This will cause delays and

therefore reduce savings achievable

- Unplanned admissions into care
- Unplanned breakdowns in placements
- Large Sibling groups entering care
- The required use of Unregistered placement settings with bespoke staffing arrangements
- Inability to recruit and retain staff, requiring the need to hire agency staff – This will also impact all future years
- Increased admissions into care will result in increased legal costs
- Recruitment of In-House foster carers is not at the desired level, thus going to the Independent Market for placements
- Supported Families funding ceases or Payment by Results not fully achieved
- Any central government funding issues – Social Care Grant
- Increased rise in Social Care costs
- UASC Demands on the service
- Funding streams from partners not at required levels i.e. NHS England
- Placement offers not available for Children who are ready to step into alternative provisions – this impacts our assumptions and available savings in this year, whilst adding a financial burden to future financial years
- Current plans to buy 2 new Residential Homes
 - Unable to purchase the correct homes in a timely manner
 - Unable to recruit staff
 - Wrong children end up in the new homes i.e. Children who should be in a Fostering Home end up in Residential
 - Delays with OFSTED registration

Work or Actions upcoming

- Full cost analysis of Admissions v Discharges. This is to understand the full financial impact of those entering the system against those children who are leaving our care
- Complete mapping out of expected savings through the next 18 months. Working closely alongside the Practice Lead of the Family Homes for Plymouth Children Programme
- Ongoing structure proposals – likely to see a significant financial benefit, both in budgetary savings but cost avoidance in use of External Agency Staff

Education, Participation & Skills

Education, Participation and Skills Department		Budget £m	Forecast £m	Variance £m	RAG (mitigations)
Gross Budget prior to Delivery Plans		4.599	4.166	-	
EPS Delivery Plans		(0.433)		0.433	
Pressure:	Feasibility costs (unable to capitalise)			0.171	
Mitigation :	Service redesign			(0.162)	Red
	Careers South West - liquidation settlement			(0.040)	Amber
	Head of Access and Planning - vacancy savings			(0.056)	Amber
	Additional income – Penalty Charge Notices and grants			(0.180)	Green
	Vacancy savings			(0.116)	Green
	Additional savings from Skills			(0.050)	Amber
Total		4.166	4.166	-	

Delivery Plan to address £303K pressure

Increase mitigation through EMAT budget to full amount	(0.066)
Commence restructure within financial year	(0.091)
Additional mitigation from moderation	(0.012)
SLIP work budgeted for with Wiltshire – to be met by external funds or activity ceased	(0.024)
Additional savings identified through skills	(0.100)
Total	(0.303)

Central Spine

Key pressure held in Central Spine is Short Breaks. As per the paper provided by the Head of Service, a budget pressure of £1.318m has been reduce to £872k. The pressure has been reduced further by savings found in Home to School transport. The pressure in the Central Spine is now reported at £697k

This brings a combined pressure in Childrens to £1.115m

Children's Central Spine		Budget £m	Forecast £m	Var £m	RAG (mitigations)
Short Breaks & Downham House		2.747	3.620	0.872	
Pressure:	Right-sizing of the Short Breaks Budget			1.318	
Mitigation :	Q1 savings identified			(0.446)	Green
Central Spine - EPS Element		11.251	11.061	(0.175)	
Mitigation :	Home to School Transport - delay in number of pupils placed at Independent Special Placements against forecast. Expected to increase from July 2025 onwards			(0.175)	Green
Central Spine Staffing		0.100	0.100	-	
Total		14.098	14.795	0.697	