

# BUDGET SCRUTINY

**Top three challenges for delivering within Portfolio budget for 2026/27**  
**Councillor Laing (Deputy Leader; Children's Social Care, Culture and Communications)**



## I. CHALLENGE I- PLACEMENT COSTS

Placement costs continue to rise nationally, with central Government recognition that private providers are profiting due to high demand. Legally, the Local Authority must place children in Ofsted-registered settings. For those children with challenging behaviours or complex needs the Local Authority often struggle to find placements because providers fear losing their registration under strict inspection rules. As a result, some homes are non-compliant (unregistered) which is costly and we are currently paying nearly £25k per week for one child. Managing this budget is very challenging due to limited placement options nationally and escalating costs. Additionally, health funding does not always cover accommodation or full care packages for children with complex health needs, further increasing Local Authority placement costs. We are aware of the significant financial pressures of the ICB and we do not yet know how this might further impact the Local Authority.

### I.a. MITIGATIONS FOR CHALLENGE I – PLACEMENT COSTS

The Family Homes for Plymouth Children has eight work streams to reduce the number of children in care, to increase placement availability closer to Plymouth and reduce cost. The eight work streams range from increased capacity for early help and prevention to acquiring our own Children's Home provision. Part of this is that we were successful in securing funding for a specialist new build home in Plymouth that will enable placements for children with the highest cost needs. We have a programme to buy and run our own Children's Homes in Plymouth, for up to three children each, and have purchased our first home to open in the Summer.

We have a dedicated 'Steps Programme' to support children and young people move from a residential home to foster care or 16+ supported accommodation. This is supported by an innovative commissioned service called 'Re-connect' that is helping us find foster families and support young people in their move from residential accommodation. Invest to save proposals have been put forward in the 26/27 budget proposals that will enable us to provide a more enhanced edge of care offer through a 'No Wrong Door' programme and a trauma informed therapeutic offer for foster carers to reduce placement breakdown, support carers care for children with complex and challenging needs and increase our recruitment of foster carers. We anticipate these will be in operation for the start of the financial year 2026/27. We have implemented a new and improved fostering marketing campaign to recruit more foster carers and have significantly improved the offer to Plymouth Foster Carers.

Our longer-term ambition is to focus on earlier help and prevention because this is in the best interest of children and families, to provide support and meet their needs early, and financially this costs less than working with children and families at a higher level of intervention. Therefore, we are aligning the Families First Social Care Reform Programme to focus on family networks, working in neighborhoods with partners and facilitating more interventions with a wider range of qualified or experienced staff.

For those children who need placements we continue to recruit in-house foster carers and will be working with the regional care cooperatives to better manage provision. Work is being undertaken to improve placement costs for children with health needs, jointly with the ICB, and challenging the local arrangement of the 20% contribution cap for children with continuing health needs.

The Portfolio Holder is actively lobbying and meeting Government Ministers to challenge the national crisis and escalating, un-regulated cost of children's placements.

## **2. CHALLENGE 2 – PERMENANT AND STABLE WORKFORCE**

Due to our geographical location and cost of living within the City it is a challenge to recruit qualified social workers on a permanent basis. This often means we must pay high agency costs to ensure statutory functions can be safely met. This could further be a challenge post April 2026 to even recruit agency staff with nationwide price caps set by the Reforms and implemented locally. Often agency staff come from out of area and require additional rates to enable the cost of accommodation and travel. We are yet to see what the national impact will look like when this goes fully live in April. Here in Plymouth, we have asked locally for an exemption due to the high number of uncovered vacancies and the inability to recruit agency social workers at the capped fee.

The Social Care reforms do require additional requirements for Local Authority's to implement in 2026-2027 and while grant money is allocated it is not going to cover the full costs, for example of a new role identified as Lead Child Protection Practitioners.

### **2.a. MITIGATIONS FOR CHALLENGE 2 - PERMENANT AND STABLE WORKFORCE**

The significant national social care reforms and legislative amendments will enable a greater range of work with children and families to be undertaken by staff with alternative qualifications to being a qualified social worker. To support this, we require an organisational structure that facilitates more integrated interventions and prioritises early help, with the aim of reducing the volume of child protection cases and children coming into the care of the Local Authority and allowing more children to remain within their family networks. We are working towards implementing the required structure from the 1<sup>st</sup> April 2026 which is dependent on having the resources to achieve it.

The Service is working with HR colleagues to re-focus our efforts on permanent social worker recruitment, both from an agency to permanent recruitment programme and a national recruitment campaign. The conditions to attract staff, for example manageable caseloads, succession planning for career progression and a strong learning development offer are all in place. Creative strategies are being used to encourage permanent staff relocation, including changes to the relocation policy and practical support. We have a determined focus on recruitment and to promote Plymouth as an excellent place to live and work over the next four months.

The recruitment process for the permanent Service Director is progressing, which will allow additional resources to be dedicated exclusively to advance social care reforms and restructure implementation.

## **3. CHALLENGE 3 - IMPLEMENTATION OF THE SOCIAL CARE REFORMS**

As set out in the other risks the national social care system wide reform set by the DfE is due to be implemented in 2026-2027. While some additional Government grant funding has been provided to deliver the reforms, this hasn't adequately covered the cost to fund the breadth of the change or the Council to facilitate such significant reform which requires corporate resourcing from HR, Business Intelligence, comms, commissioning team, to support the implementation of the reforms. Further challenges are being presented by partners who are integral to these reforms and have not been provided with funding. The DfE expects the Local Authority to support Partners from our grant allocation and we are having to agree a phased implementation from the 1<sup>st</sup> April 2026 to enable partners to source additional capacity.

### **3.a. MITIGATIONS FOR CHALLENGE 3 - IMPLEMENTATION OF THE SOCIAL CARE REFORMS**

The Current Interim Service Director has worked in a successful Pathfinder Local Authority that tested and implemented the reforms on behalf of the DfE and brings that experience to support, grip and provide pace to the implementation of the reforms in Plymouth. This has been acknowledged by the DfE in our recent Q3 review as to the good progress and plans we are

implementing in Plymouth. The appointment of a permanent Service Director will provide greater resource and capacity to accelerate implementation.

We have set out the transformation requirements and the requirements of the corporate team to deliver the reforms programme, including the restructure, and are identifying ways to progress the work.