

Children, Young People and Families Overview and Scrutiny Committee – 28th November 2018



Finance Update

There has been a significant increase in young people's placement cost accounting for £4.1m. We are experiencing a big rise in the number of vulnerable children needing care, the cost of the care is particularly high due to the level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing. A number of very costly care packages are the result of Court of Protection orders that place a duty on the Council to provide specialist care.

This increasing financial demand on Children's Services is not just a local issue, but is seen nationally and is a culmination of rising demand, complexity of care, rising costs and the availability of suitable placements. Robust plans are in place to deliver £4.655m savings this year, delivering over £3m to date, although the Service has identified a savings plan £1.647m that will not be achieved this year.

When we compare Plymouth with its statistical neighbours, the number of LAC (Looked After Children) per 10,000 child population does not show our numbers as being higher, rather that our number is lower although rising in line with the South West region and national trends. Children coming into care in the past few months requiring wrap-around packages of care are adding a predicted cost commitment of over £0.800m to the forecast.

The budget pressure can be attributed to the significant increase in cost, due to the complexity of care, as well as the volume of young people's placements since the budget was set during autumn 2017. There are now a number of complex individual packages of care at considerably higher cost; during August and September for example, a number of young people were discharged from hospital to avoid bed blocking, all of whom have severe complex needs.

The department budget for 2018/19 is £35.1m with a forecast spend this year of £40.8m

Budget Area	Budget £m	Forecast £m	Variance £m
Placements	20.973	25.026	4.053
Employee Related	18.528	18.515	(0.013)
Delivery Plans (Savings)	(4.665)	(3.018)	1.647
Other	0.267	0.280	0.013
Total	35.103	40.803	5.700

With the delivery plan pressure of £1.647m, spend on three placement categories accounts for almost all of the remaining over spend of £4.053m.

Budget Area	Budget £m	Forecast £m	Variance £m
Residential Placements	7.068	8.196	1.128
Independent Foster Placements	5.279	6.015	0.736
Supported Living Placements	0.980	3.079	2.099
Other Placements	7.646	7.736	0.090
Total	20.973	25.026	4.053

For Residential Placements we set the budget based on 36 placements at an average weekly cost of £3,765; this is an annual cost of £195,780. We now have 38 placements but we have seen our current average weekly cost increase to £4,109; an annual cost of £213,668, an increase of 9% giving a total pressure of £1.128m.

For Supported Living Placements we set the budget based on an average of 15 placements for the full year; we now have 23 with an average weekly cost of £2,606 against the budget average of £1,253, giving a total pressure of £2.099m.