

**Children & Young
People
2024/25 Revenue
Budget**

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2024/25 Revenue Budget

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Children & Young People 2023/24 Forecast

2023/24 Forecast Outturn at Q2: £11.5m overspend

(Recovery action to reduce overspend continues in 2023/24)

Key variances from budget (> £250k) at Q2:

- £0.2m underspend representing reduced costs in respect of Looked After Children
- £0.2m total underspends across various Directorate budgets
- £4.5m overspend representing Savings Targets 'At Risk'
- £3.0m cost pressures in respect of Agency Staff
- £2.0m overspend representing additional demand in SEN Transport
- £0.7m overspend in Agency Fostering
- £0.6m overspend due to additional demand in Complex Needs
- £0.5m overspend re additional expenditure to support Practice Improvement
- £0.5m overspend due to cost pressures in respect of In-House Fostering
- £0.4m overspend to support UASC

National Context

County Councils Network (CCN) analysis shows **average overspend of £16m** per council in 2023/24 with growing demand for children's services accounting for almost half of this projected overspend.

Nationally, **all 151 councils with children's services responsibility overspent** in 2021/22 (total £966.5m)

Key challenges and source of overspend:

- **Sufficiency of placements** (local and national)
- **Unprecedented Demand** (increasing in a number of areas post Covid)
- **Placement costs** (including inflation impact and National Living Wage)
- **Transport Services** (increased in numbers and contract prices)
- **Recruitment & Retention** (local and national challenges)
- Responsibility to support **Unaccompanied Asylum Seeking Children** (UASC)

Children & Young People 2024/25 Budget £65.1m

The 2024/25 Directorate base budget is £65.1m which represents an increase of £14.3m.

	£
2023/24 Base Budget	50,812
Additional funding demand/cost pressures	10,750
Pay Award	1,253
Inflation pressures (90% funded)	2,121
Demand pressures*	3,499
Mitigations	(800)
Planned Directorate Savings	(2,503)
2024/25 Proposed Base Budget	65,132

*Demand pressures are informed by costs/activity pressures in 2023/24 budget monitoring and include: £1.6m (SEN), £0.3m (Foster Fee uplifts)

Additional Funding in 2024/25

Additional funding has been allocated to support increased demand and cost pressures in 2024/25. The table below confirms that the funding allocated is sufficient to meet the cost of service delivery in 2024/25.

	£m	£m
Pressures reported at Q2 2023/24		13.5
Less 2023/24 one-off pressures:		
Listening to Families	(0.5)	
Agency staff – exit planned in 2023/24	(0.3)	
Recurrent pressures for Directorate		12.7
To be met in 2024/25 Base Budget by:		
Additional funding allocated (demand/cost)	(10.5)	
SEN funding included as demand pressure	(1.6)	
Foster fee uplift included as demand pressure	(0.3)	
		(12.4)
Residual pressure not funded*		0.3

*This represents 10% of inflation not funded in the draft budget. This is a residual pressure in each of the Directorates to be managed in 2024/25.

Children & Young People 3 Year Financial Plan

Planned activity/transformation	Year 1 2024/25 £'000	Year 2 2025/26 £'000	Year 3 2026/27 £'000	TOTAL £'000
Workforce Savings (S2 and S3)	1,344	1,477	933	3,754
Reduced Demand Children In Care (S1)	959	3,894	1,359	6,212
SEND Transport efficiencies (S4)	200			200
Total	2,503	5,371	2,292	10,166

Impact on budget over 3 year period

	Year 1 2024/25 £'000	Year 2 2025/26 £'000	Year 3 2026/27 £'000	TOTAL 3 Year Saving £'000
Base budget b/f	50,812	65,132	59,761	
Additional funding (£10.8m)	10,750			
Pressures (£6.9m) - Mitigations (£0.8m)	6,073			
Planned savings to reduce base budget	(2,503)	(5,371)	(2,292)	(10,166)
Base budget c/f	65,132	59,761	57,469	

Children & Young People 2024-2025 Pressures £6.9m and Mitigations £0.8m

Ref	Detail	£'000
P1	Pay Award	1,253
P2	Inflation pressures (90% funded)	2,121
P3	Demand pressures	3,499
	Total Pressures	6,873
M1	Reduce legal court costs budget	(70)
M2	Reduce court ordered placement budget	(30)
M3	Reduce training budget and administration	(20)
M4	Reduce mileage claims budget	(27)
M5	Increase income charged to Other LAs	(75)
M6	SEN – Internal recharge for services	(65)
M7	Pay and non pay budget adjustments - various	(13)
M8	Public Health Ring-fenced grant to supply Early Help	(500)
	Total Mitigations	(800)

2024/25 Children & Young People Savings £2.5m

Saving Category	Ref	Name of Proposal	Description	Saving £'000
Reduce	S1	Reduce Children's High-Cost placements	Current activity to step down higher cost placements and reunite some families	959
Reduce	S2	Reduction in Social Worker establishment	Achieving a reduction of 14 social workers posts by 31 March 2025 based on the assumption of reduced demand	338
Transform	S3	Reduce numbers of agency social workers	Convert 30 posts from agency to permanent by end of June 2024 (Q1) to realise 3/4yr effect	1,006
Transform	S4	SEN Transport Efficiencies	Changes to contract arrangements	200
			Total Children and Young People Savings	2,503

Delivery of Savings in 2024/25

The deliverability and status of the planned savings will be monitored as part of monthly budget monitoring arrangements, informed by planned and actual activity in the year to date, to determine a RAG rating for each identified savings targets. The table below notes the estimated delivery of savings in each quarter of the 2024/25 financial year.

Children & Young People				Profiled Delivery				
Category	Ref	Name of Proposal	Proposed Saving £'000	Q1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	TOTAL £'000
Reduce	S1	Reduce Children's High-Cost placements	959	0	0	0	959	959
Reduce	S2	Reduction in Social Worker establishment	338	85	169	56	28	338
Transform	S3	Reduction in Social Worker establishment	1,006	1,006	0	0	0	1,006
Transform	S4	SEN Transport Efficiencies	200	0	0	0	200	200
TOTAL			2,503	1,091	169	56	1,187	2,503

Risks and Dependencies

- Planned reductions in the social worker establishment assume reductions in demand in the period to 31 March 2025
- The conversion of agency to permanent staff is dependent upon successful recruitment and retention activity of qualified social care staff
- Demand for SEN transport may further increase at the start of the new academic year (September 2024) due to rising demand nationally for this service
- Activity to reduce high cost placements is reliant upon continued transformation and improvement activity across the Directorate; delays in stepping down of care packages may put savings at risk
- Increased and new un-budgeted placements of 'Looked After Children' placements emerging during the year will create additional financial pressures