

# Health and Social Services Scrutiny Committee

21<sup>st</sup> March 2024

## Subject: Children's Service Budget Position

**Purpose:** Set out the current demand on Children and Families Services, the overall strategy for Children's Services to manage future demand, meet statutory obligations and achieve a balanced budget.

## THE SCRUTINY COMMITTEE IS ASKED TO:-

Review and assess the information contained in Report and provide any recommendations, comments, or advice to the Cabinet Member and / or Director prior to the report's consideration by Cabinet.

## Reason(s)

To formulate views for submission to the Cabinet / Council for consideration.

**CABINET MEMBER PORTFOLIO HOLDER:-** Cabinet Member for Health and Social Services – Cllr Jane Tremlett

**Directorate:**  
Education and Children's Services

**Name of Head of Service:**  
Jan Coles

**Report Author:**  
Jan Coles

### Designations:

Head of Children and Families

Head of Children and Families

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**EXECUTIVE SUMMARY**  
**Health and Social Services Scrutiny Committee**  
**21<sup>st</sup> March 2024**

**Children's Service Budget Position**

**1. SUMMARY OF PURPOSE OF REPORT.**

**Background**

In the first quarter of 2023-2024 Children's services reported a projected overspend of £5.3 million against an overall budget of £23 million.

As a result, a review was commissioned and led by the Statutory Director of Social Services to undertake an analysis in relation to the drivers of the demand and focus on areas where there has been significant overspend.

A Transformation Plan has been developed from that analysis which aims to manage future demand and achieve a balanced budget.

**Context**

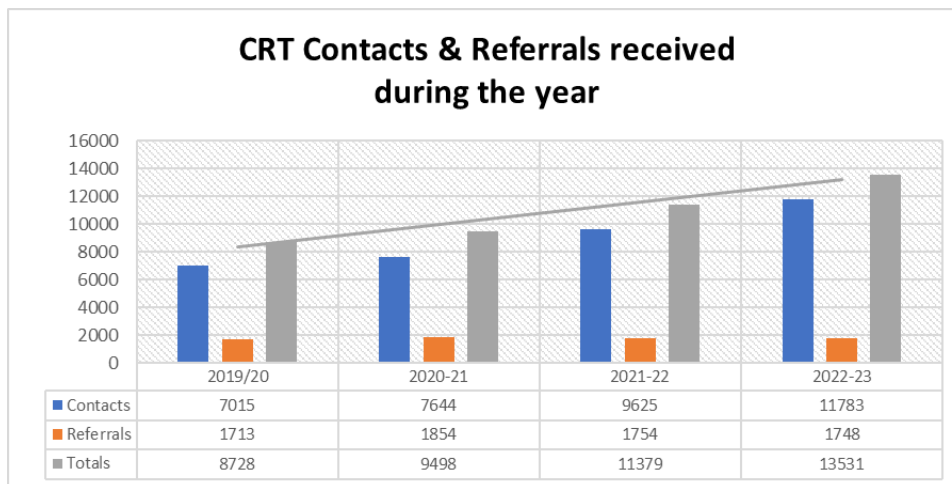
Our Children's Social Services are located within an integrated Education and Children's Services Department. We have routinely had the lowest rate of Children Looked After in Wales and have also maintained low numbers of children on the Child Protection Register. In addition, we have delivered strong performance across all national performance indicators.

This has been achieved through our strategy to invest in prevention and early intervention services as well as being early adopters of innovative approaches to safeguarding. We have a strong workforce who are trauma informed and work in an attachment aware model, which keeps children and young people at the forefront of what we do.

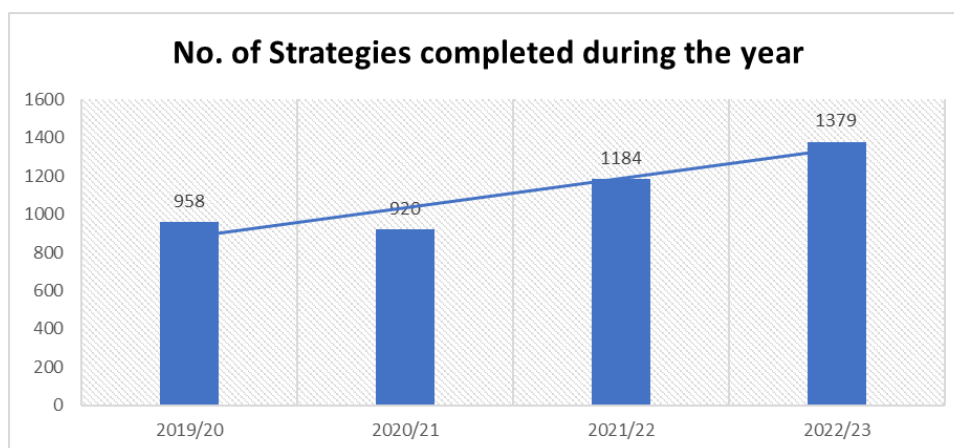
Implementing a systemic way of working with families using Signs of Safety consolidated early gains of keeping families together. The historic stability of our workforce and leadership at all tiers has assisted us in implementing this model and achieving excellent outcomes for children and as a result Carmarthenshire spends less per head on children's social care than any other authority in Wales.

## Increasing Demand

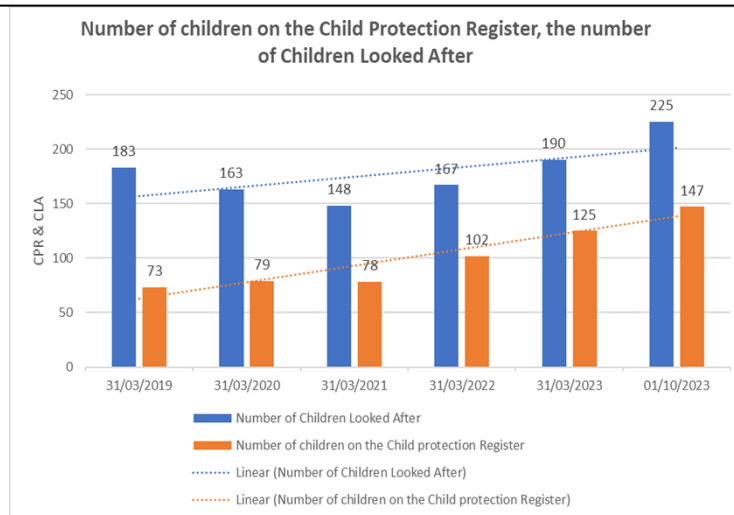
- a) Since 2019/20 we have seen a 68% increase in contacts and referrals received via our 'front door' for Children's Services. This rise started soon after the COVID 19 pandemic where we have seen the demand and complexity increase. This reflects national trends which have driven up the demand for support from Children's Services.



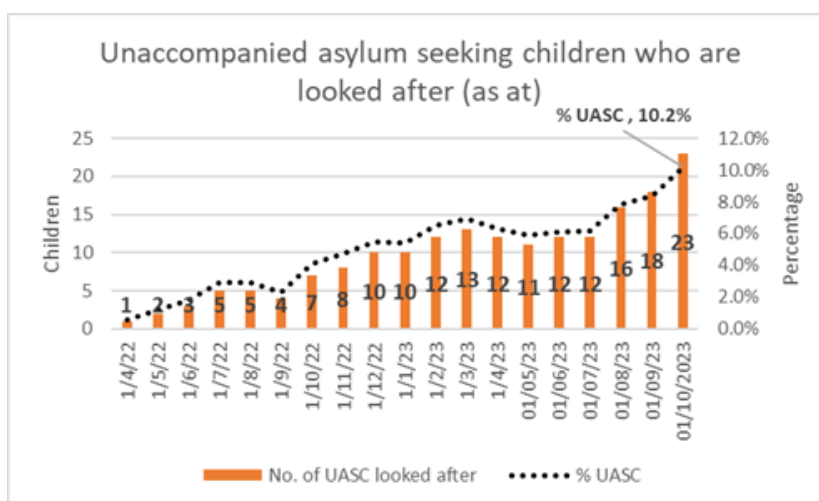
- b) Between 2019 and 2023 there has been an increase in the number of strategy meetings of 44%, and Section 47 investigations of 140%



- c) Since 2020-21, the number of children subject to a child protection plan and children looked after has seen an increase of more than 10%.



d) In 2022 the Home Office introduced a mandatory transfer scheme replacing the voluntary transfer scheme that operated previously. Prior to that we did not receive any unaccompanied asylum-seeking children UASC. Since 2022 the number of UASC for whom we are responsible has grown and now accounts for more than 10% of our Children Looked After (CLA) population.



## Service Delivery

a. **Local Authority Foster Care:** Historically, Carmarthenshire has managed the majority of CLA within local authority foster care placements. This has reduced the reliance on independent fostering agencies (IFAs) and residential children’s homes. The increased demand for foster placements has come at the same time as our number of in-house foster carers has reduced and we are operating with a reduction of a third of foster-carers.

In addition to increasing reliance on external provision, the reduction in foster carers has meant we have been less able to match children to placements that can meet their needs. Consequently, foster carers have been asked to care for more children than their original registration agreed, or care for children whose needs cannot be fully met by the carers in placement.

b. **Use of Residential Homes, Independent Fostering Agencies (IFAs) and Operating Without Registration arrangements (OWR):** As the availability of foster care has

declined the use of IFAs, residential children's homes as well as placements operating without registration (OWR) have increased.

Operating without registration OWR's are placements which are delivered and staffed by the local authority and agency workers, often in an emergency, where there is no safe alternative to accommodate a child. We have also seen an increase in the number of children who have very complex needs and have come into our care from clinical or secure settings. These children require a high level of support and often very specialist services to keep them safe.

The private sector dominates the provision of residential care for children. In this sector, where provision is complex to provide, the market has served children and Council budgets poorly.

To address these market failures Welsh Government will make it unlawful for Local Authorities in Wales to place children in private 'for profit' residential care homes beyond 2026. As a direct result of this Carmarthenshire has insufficient capacity within its residential services for children to meet the current and projected demand and there is no prospect of private investors creating quality provision in the county.

As a result, and to meet our statutory obligations Carmarthenshire will need to develop local options that provide the care our children need. The ambition of the Department to grow the range of residential services delivered is already underway. Until we have developed our own residential homes, we will be reliant on private residential homes.

- c. **Support for Disabled Children:** Under the Social Services and Well-being (Wales) Act 2014 if you are a disabled child, the Local Authority must assume that you need care and support and should make sure you have a 'needs assessment' to work out what your needs are. It is not surprising therefore that whilst the number of referrals through our front door has remained relatively stable, we have seen a greater demand for assessment for disabled children.

In Carmarthenshire, we meet the needs of disabled children and their families through a range of short break and community support services. These services are allocated following an assessment of need.

## **Workforce**

In addition to the increased demand for services there is a national crisis in recruitment and retention of social care staff, including social workers. Since 2021 this has impacted on Children's Services who have had to deploy up to 14 agency social workers in our social work teams to manage effectively. Whilst this is lower than many authorities it does present a risk to the service if not addressed.

## **Impact on Spend**

Whilst Carmarthenshire's spend per head on Children's Social Services is lower than other local authorities in Wales, we maintain a relatively high number of social worker posts per head of population. Most authorities in Wales are experiencing significant pressures in relation to commissioning costs and reported higher levels of need.

Numerous additional grants were made available from Welsh Government, during the Covid period. Where permissible these were used to cover service costs and therefore served to

manage the overspend position within Children's Services. These grants are no longer available or are now fully committed.

In the first quarter of 2023-2024 Children's services reported a projected overspend of £5.3 million against an overall budget of £23 million. (Net of Grants) As a result, a review was commissioned and led by the Statutory Director of Social Services to undertake an analysis in relation to the drivers of the demand and focus on areas of significant overspend.

## Children and Families Services Transformation Programme

Children's Services Transformation Programme										
Ref	Summary	Revenue Budget Required		EXPENDITURE REDUCTION IMPACT			BUDGET REDUCTION IMPACT			
		2024-2025	2025-2026	2024-2025	2025-2026	2026-2027	2024-2025	2025-2026	2026-2027	2027-2028
Additional Capacity	Additional Posts across the service to meet increased demand	£ 624,872.00	£ 208,292.00	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ -	£ -	£ -	£ -
Traineeship Programme	15 New 'Masters' Traineeships to address social work vacancies and reduce use of agency	£ 842,728.00	£ 300,400.00	£ 398,751.00	£ -	£ -	£ -	£ 93,751.00	£ 713,805.00	£ 200,538.00
UASC	Increased capacity and new model of accommodation to reduce current level of overspend against Home Office Budget	£ 385,636.00	£ -	£ -	£ -	£ -	£ -	£ 385,636.00	£ -	£ -
New Children's Homes	Staffing for new residential homes phased over 2 years. Income target of 1 X12 week placement @10K/week	£ 1,284,862.00	£ 1,283,817.00	£ 630,000.00	£ 624,000.00	£ 832,000.00	£ 60,000.00	£ 120,000.00	£ 120,000.00	£ 120,000.00
Transport	Business case to reduce overspend on taxis and replace taxi usage entirely by 25-26 with inhouse service	£ 188,887.00	£ -	£ 25,000.00	£ 25,000.00	£ 25,000.00	£ 200,000.00	£ -	£ -	£ -
Fostering	Increase in Fostering and SGO allowances and additional staff required to increase recruitment and retentions of carers	£ 729,234.00	£ -	£ 400,000.00	£ -	£ -	£ 32,500.00	£ 65,000.00	£ 65,000.00	£ 65,000.00
Garreglwyd	Staffing required to eliminate use of agency and overtime by 25-26	£ 240,000.00	£ -	£ 300,000.00	£ 100,000.00	£ -	£ -	£ -	£ -	£ -
Disability Services	Budget required to meet the existing spend and then reduce budget via commissioning/rightsizing/policy work by 100K/year	£ 1,083,614.50	£ -	£ 1,039,988.00	£ -	£ -	£ 100,000.00	£ 100,000.00	£ 100,000.00	£ -
Core Systems and Services	Investment in business support/performance/finance required to support delivery of programme objectives and efficiencies	£ 150,000.00	£ -	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ -	£ -	£ -	£ -
	<b>Grand Total</b>	<b>£ 5,529,833.50</b>	<b>£ 1,792,509.00</b>	<b>£ 2,888,739.00</b>	<b>£ 849,000.00</b>	<b>£ 957,000.00</b>	<b>£ 392,500.00</b>	<b>£ 764,387.00</b>	<b>£ 998,805.00</b>	<b>£ 385,538.00</b>

## Governance

The Transformation Programme is being delivered by Children and Families Services through workstreams chaired by Senior Managers. The workstreams report into a fortnightly Programme Board, chaired by the Statutory Director of Social Services. The Programme Board reports to CMT and there will be monthly liaison meetings with Unions.

**DETAILED REPORT ATTACHED?**

**NO**

# IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed:



Head of Children and Families

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>

## 2. Finance

The Budget Working Group report recommends that investment is needed to ensure the continued safe operation of Children and Families Services. The report recommends that £5.5m in 24-25 and £1.8m in 26-27 is required to manage the increased and changed demand.

## 5. Risk Management Issues

There are risks associated with unmanaged demand in Children and Families Services including risks to children and young people, reputational risk and risks to the Council budget. The Children and Families Transformation Plan puts in place measures to effectively manage current and future demand safely and effectively.

## 6. Physical Assets

The Transformation Plan includes a recommendation to implement a Strategic Programme for Residential Services which will include the acquisition, refurbishment and development of new children's homes.

## 7. Staffing Implications

The Transformation Programme sets out plans to increase the capacity of Children and Families Services to manage the increased demand. This includes creating and recruiting into new roles.

**CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED**  
YES

**Cllr. Tremlett is provided with regular updates on implementation and opportunities to question and challenge progress.**

**Section 100D Local Government Act, 1972 – Access to Information**  
**List of Background Papers used in the preparation of this report:**

**THERE ARE NONE**

Title of Document	File Ref No.	Locations that the papers are available for public inspection