

Appendix B – Children, Families & Education Services

Children & Family Services

Lead Member for Children, Families & Education: Cllr Heather Shearer

Executive Director: Claire Winter

Service Directors:

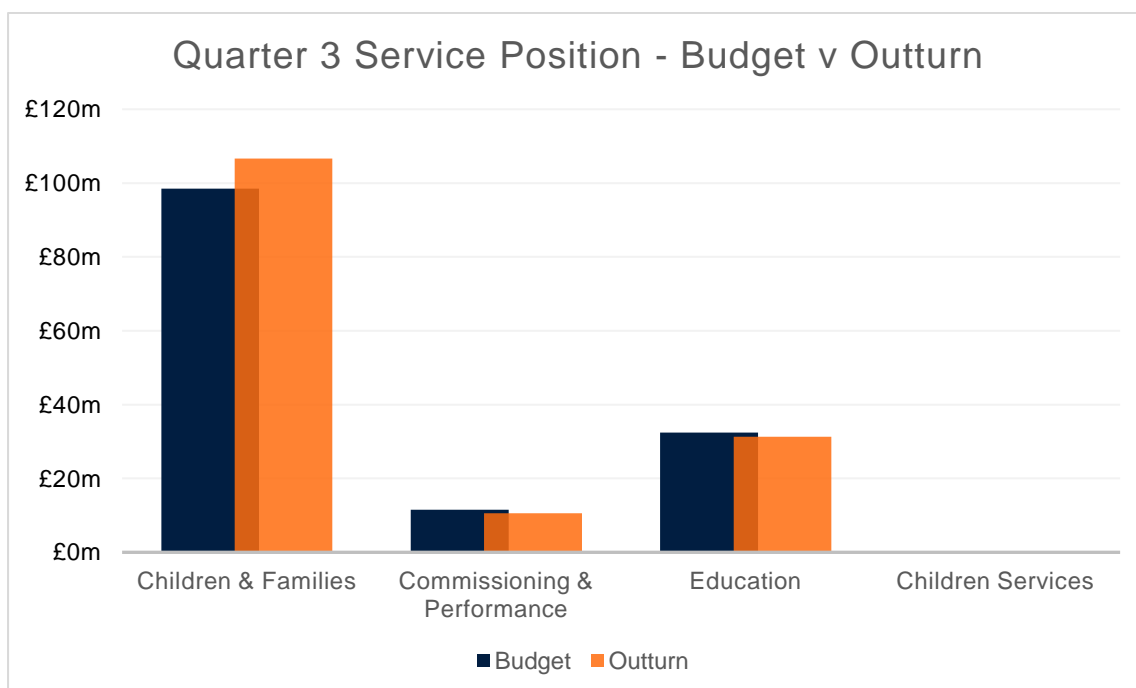
- Children and Families: Jayne Shelbourn-Barrow
- Commissioning and Performance: Richard Selwyn
- Education: Amelia Walker

Children’s Finance Recovery Board update

The Children’s Services Finance Recovery Board meets on a 6-weekly basis (to move to monthly). The board members include Senior Management from both Finance and Children’s Services, and Cllr Shearer as Lead Member for Children’s Services. The Section 151 Officer chairs the Board. The purpose of the Board is to identify and track the mitigating actions to resolve any forecast overspends. Also, to identify substitute savings for any MTFP savings which are ‘at risk’ or ‘unachievable.’ This is to help the Service balance their budget at outturn.

There are significant budget forecast overspends at present, particularly in external placements. At this stage there are insufficient service mitigations to enable the Children’s Services budget to balance by the end of this financial year. (see mitigating actions that need financial amounts to be allocated).

Chart 1: Budget versus forecast outturn graph



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Table 1: 2024/25 Children & Family Services as at the end of December 2024 (Quarter 3)

- 2024/25 net budget £142.787m, forecasting an overspend of £5.861m, a decrease of £2.519m from Month 7.
- 2023/24 net budget £127.1m, outturn overspend £12.3m

2024/25 Children, Families & Education Services as at the end of December 2024 (Quarter 3)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Quarter 3 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 7 £m
Children & Families										
Prevention Services	7.393	(1.223)	6.170	5.775	(0.395)	Underspend	Green	-	-	(0.338)
Fostering and Permanence	13.528	(0.052)	13.476	13.232	(0.244)	Underspend	Green	-	-	0.129
External Placements	60.049	(14.133)	45.916	59.406	13.490	Overspend	Red	-	13.490	(1.211)
Fieldwork East	4.978	-	4.978	4.495	(0.483)	Underspend	Green	-	-	(0.056)
Fieldwork West	5.753	-	5.753	4.774	(0.979)	Underspend	Green	-	-	(0.024)
Disabilities	8.036	(0.333)	7.703	6.856	(0.847)	Underspend	Green	-	-	(0.347)
Partnership, Audit & Quality	3.206	(0.315)	2.891	2.850	(0.041)	Underspend	Green	-	-	(0.035)
CLA East	2.879	-	2.879	2.756	(0.123)	Underspend	Green	-	-	(0.060)
CLA West	2.135	-	2.135	2.277	0.142	Overspend	Red	-	0.142	(0.026)
Leaving Care	2.886	(0.417)	2.469	2.537	0.068	Overspend	Amber	-	0.068	0.039
CSC Management	4.222	(0.097)	4.125	1.703	(2.422)	Underspend	Green	-	-	(0.020)
sub total	115.065	(16.570)	98.495	106.661	8.166	Overspend	Red	-	13.700	(1.949)
Commissioning & Performance										
C&P Commissioning	10.385	(7.410)	2.975	2.603	(0.372)	Underspend	Green	-	-	(0.267)
Performance and Transformation	3.423	0.026	3.449	3.027	(0.422)	Underspend	Green	-	-	0.005
Business Support	5.270	(0.137)	5.133	4.978	(0.155)	Underspend	Green	-	-	(0.056)
sub total	19.078	(7.521)	11.557	10.608	(0.949)	Underspend	Green	-	-	(0.318)
Education										
Special Educational Needs and Disabilities	4.980	(2.006)	2.974	3.189	0.215	Overspend	Red	-	0.215	0.034
Vulnerable Learners	5.531	(5.405)	0.126	0.054	(0.072)	Underspend	Green	-	-	0.026
Educational Psychology	3.068	(1.150)	1.918	1.918	-	On-budget	Green	-	-	0.002
Inclusion Transformation and Partnerships	13.735	(0.354)	13.381	12.046	(1.335)	Underspend	Green	-	-	(0.483)
Inclusion Strategic Management	1.653	(1.750)	(0.097)	0.598	0.695	Underachievement	Red	-	0.695	(0.050)
Education Leadership	1.488	(1.617)	(0.129)	(0.302)	(0.173)	Overachievement	Green	-	-	0.004
Education Operations	4.824	(5.371)	(0.547)	(0.750)	(0.203)	Overachievement	Green	-	-	(0.065)
Curriculum and Literacy	3.555	(3.665)	(0.110)	(0.043)	0.067	Underachievement	Red	-	0.067	(0.030)
Education Places	15.857	(2.227)	13.630	12.687	(0.943)	Underspend	Green	-	-	0.065
EPS Management	4.374	(3.114)	1.260	1.897	0.637	Overspend	Red	-	0.637	0.244
sub total	59.065	(26.659)	32.406	31.294	(1.112)	Underspend	Green	-	1.614	(0.253)
Children Services										
Children, Families & Education Team	0.330	(0.001)	0.329	0.085	(0.244)	Underspend	Green	-	-	0.001
sub total	0.330	(0.001)	0.329	0.085	(0.244)	Underspend	Green	-	-	0.001
Children, Families & Education Services Total	193.538	(50.751)	142.787	148.648	5.861	Overspend	Red	-	15.314	(2.519)

Children & Family Services - key explanations of variances

External Placements

The External Placements budget is forecasting an overspend of £13.490m which is partly offset by the £2.854m external placements inflation fund held in Children's Social Care (CSC) Management resulting in a net pressure of £10.636m. This is a decrease of £1.211m from Month 7.

Of this decrease £0.417m relates to a revised forecast to the future expected demand following known placements changes between Month 7 and Quarter 3. In addition to this, there is an additional £0.229m of external placement income. There has also been a reduction to the Homes and Horizons spend of £0.511m following delays in homes, annexes and pods opening in this financial year.

This overspend is predominately due to there being a current lack of foster carers. Where children would be placed with foster carers, there is now an increased

possibility of them being placed in external residential placements, which means children would not have the family care that they need and purely from a financial perspective there is a considerable increase in cost. This is reflected in the year end forecast within external placements.

Further mitigations need to be identified and implemented so the current forecast overspend is reduced to a balance outturn position.

The savings from a commissioned contract for supported accommodation for young people aged 16 plus (Thrive 16 plus) are currently at risk due to insufficiency of social housing for young people to move on to and high costs in the private rental sector. A savings substitution will need to be identified to mitigate this.

Prevention Services

Prevention Services is forecasting an underspend of £0.395m, an increase of £0.338m from Month 7. This relates to vacancy savings; the staff savings are allocated to the local authority budget. The Supporting Families Grant funds 7.5 FTE of Family Intervention Support Workers.

Fieldwork

The Fieldwork East and West budgets are forecasting an underspend of £1.462m, an increase of £0.080m from Month 7. In emergencies and when ordered to do so by the court, the service has provided 24/7 supervision of families in their own home. This is an expensive and usually externalised service. However, much of this service has been provided in-house during 2024/25 and the majority is now only court ordered, therefore resulting in a significant decrease in costs. Difficulty in recruiting both permanent and locum social workers has also reduced staffing costs temporarily in this area.

Fostering and Permanence

The Fostering and Permanence budget is forecasting an underspend of £0.244m, a decrease of £0.129m from Month 7. There has been an increase of 11 internal fostering placements between Month 7 and Quarter 3.

Disabilities

Disabilities is forecasting an underspend of £0.847m, an increase of £0.347m from Month 7. This increase is due to a revised forecast of the direct payments forecasts.

Children's Commissioning

The service is forecasting an underspend of £0.949m, an increase of £0.318m from Month 7. This relates to vacancy savings and contract costs being less than anticipated and a decrease in forecast expenditure on Connect Somerset of £0.170m, forecast increase in Department for Education grants of £0.067m and further vacancy savings of £0.081m.

Education and Home to Schools Transport for Mainstream and SEN

There is a forecast underspend of £1.112m, an increase of £0.253m from Month 7. This relates to additional forecast underspends and further savings in special education needs and disabilities (SEND) transport identified as part of ongoing transport projects.

There is a forecast overspend of £0.215m, an increase of £0.034m from Month 7. This is due to SEND increasing costs from mediation and Local Government Ombudsman fines within SEND services. Where fault has resulted in a loss of educational provision, the Ombudsman increasingly recommends a remedy payment comprising an amount for each week of education lost. There is also urgent need to corporately review application of the council's Direct Payments policy.

Children and Family Service - actions and mitigations

The following mitigations have been identified for the Children's Directorate forecast overspend of £8.380m. The Directorate needs to identify the financial amounts associated with each mitigating action by Month 8. Progress on implementation of the mitigating actions to also be included in the Month 8 report.

Table 2: Service management actions included in the forecast outturn

Service Management Actions	Month 7	Quarter 3	Movement	Comments
	£m	£m	£m	
In-house Foster Care - increased number of children in in-house fostering	-	(0.100)	-	Implemented in forecast. Commitment to promoting fostering Somerset children at every opportunity. Engage with local business to offer carers support and recognition, to build retention. Develop emergency support for foster homes where children and carers are struggling, to enable children to stay in their home. Mitigation is based on moving 1 child into an in-house foster placement from residential
Homes & Horizons - Increase occupancy rates	-	(0.235)	-	Implemented in forecast. Increase Homes and Horizons occupancy rate. Currently 11 but next home due to open and matching process for other homes in progress. Mitigating action now included in forecast.

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Service Management Actions	Month 7	Quarter 3	Movement	Comments
	£m	£m	£m	
Housing benefit claims for UASC - NEW	-	(0.043)	-	Implemented in forecast. Re-working of Housing Benefit for UASC*. Mitigating action now included in forecast.
Total Management Actions	-	(0.378)	(0.378)	

Table 3: Mitigating Actions Identified not yet included in the forecast outturn

In-Year Mitigation Proposed	Month 7	Quarter 3	Movement	One-Off Mitigation	Ongoing Mitigation	Comments
	£m	£m	£m	£m	£m	
To be Mitigated	10.115	8.166	(1.949)			
In-house Foster Care - increased number of children in in-house fostering	(0.100)	-	0.100	-	(0.100)	Implemented in forecast and moved to Management Actions
Independent Foster Care Agencies (IFA) - Increase placements	TBC	TBC	TBC	TBC	TBC	Director of Children's Services led meeting with Independent Foster Care Agencies Chief Executive Officers December 2024, to develop shared approach to innovatively meeting need, to increase availability of Somerset IFA* homes for children.

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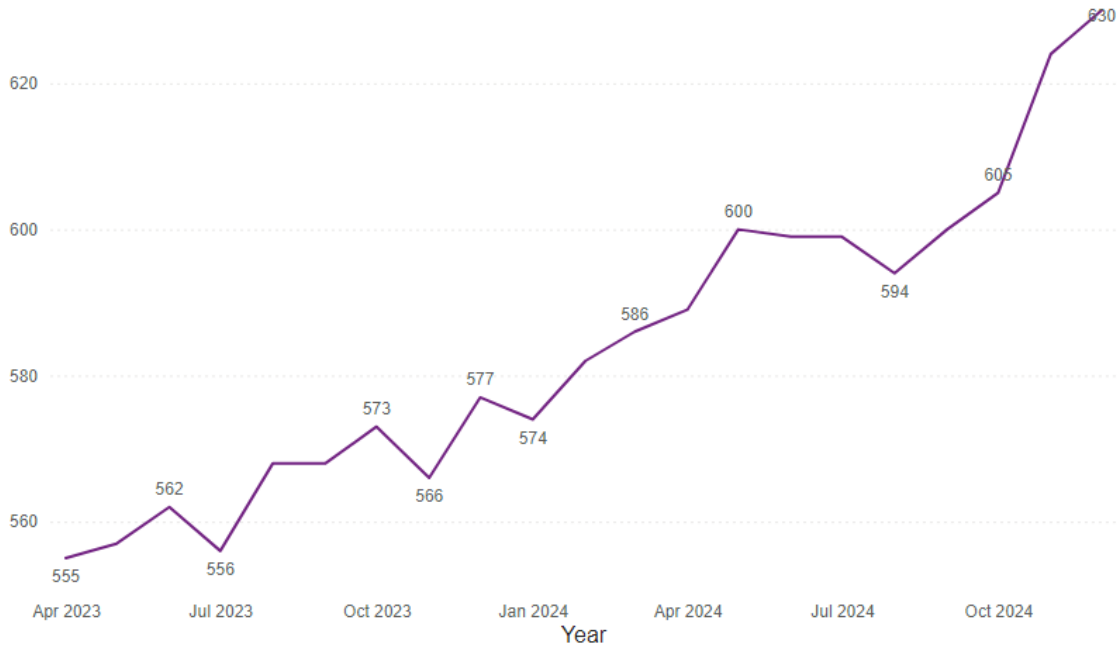
In-Year Mitigation Proposed	Month 7	Quarter 3	Movement	One-Off Mitigation	Ongoing Mitigation	Comments
	£m	£m	£m	£m	£m	
Increase number of children able to leave the care system to return to family care prior to 18	TBC	TBC	TBC	TBC	TBC	Service Training Programme on good reunification practice. Prioritise resources for children where a plan of reunification is viable.
Commissioning activity to reduce costs of care	TBC	TBC	TBC	TBC	TBC	Work with providers to develop high quality, low-cost residential care for children where fostering is the most appropriate option but not currently available with planned transition to foster care.
Homes & Horizons - Increase occupancy rates	(0.235)	-	0.235	-	(0.235)	Implemented in forecast and moved to Management Actions
Housing benefit claims for UASC - NEW	(0.043)	-	0.043	-	(0.043)	Implemented in forecast and moved to Management Actions
Total Mitigations Identified to be Actioned	(0.378)	(0.100)	-	-	-	Financial amounts to be quantified for all mitigations by Month 10
Still to be Mitigated	10.015	8.066	-	-	-	To be reduced to a balanced position by Month 10

*IFA = Independent Fostering Agency

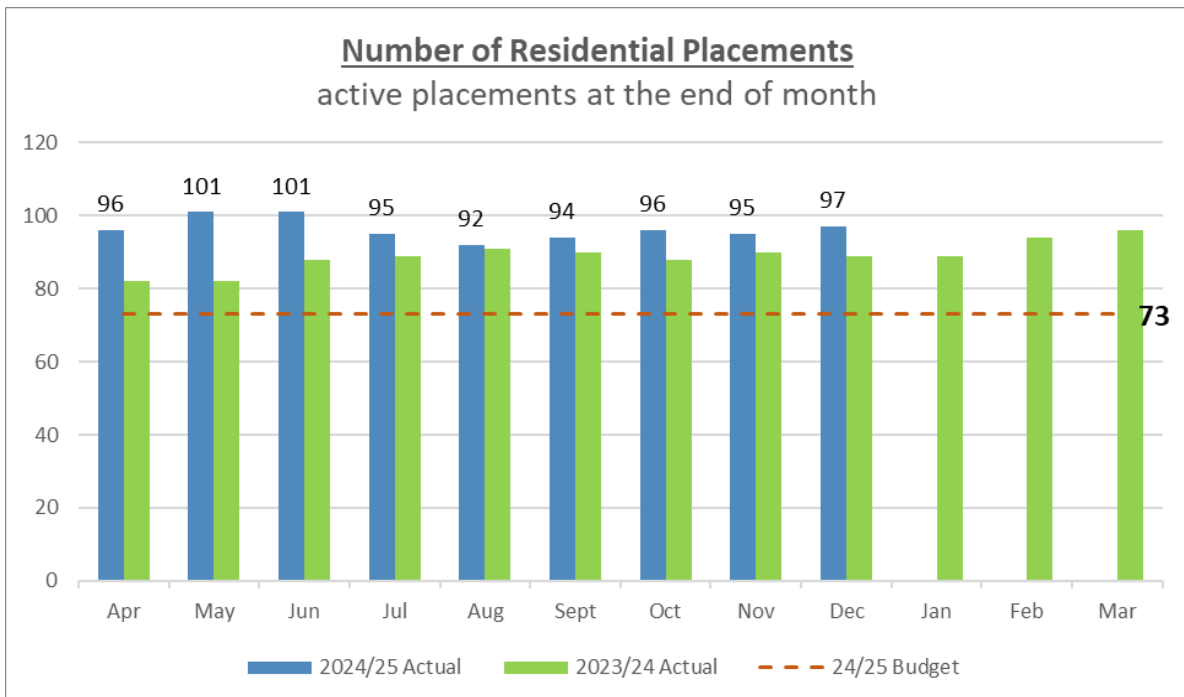
**UASC = Unaccompanied Young People Seeking Asylum

Children’s Services - key performance cost drivers

CLA Total by Month



Since April 2024 there has been an increase of 41 children looked after (CLA). With the more recent numbers coming into care moving into either high-cost residential placements or kinship care placements. The graph below shows the trend in the number of active residential placements, excluding Homes and Horizons, at the end of each month during 2024/25. The budgeted number of residential placements for 2024/25 is 73.



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Since April 2024 there has been an increase of 3 children in unregistered placements. The increase in unregistered placements from January 2024 has continued to level off. As of December 2024, there are 6 active unregistered placements. The budgeted number of unregistered placements for 2024/25 is 1.

