



Request for funding to cover Placement cost pressures incurred in Slough Children First of £499k in 21/22 and £1,681k for 2022/23

Executive Summary

To seek additional funding from SBC to cover increasing costs in the Company's placement spend. Rising demands have partly arisen from the cost of living crisis leading to an overall increase in the numbers of children looked after in placement of an average of 5 FTE in 21/22 and 4 FTE in 22/23.

The total additional costs claim is **£2,180k**, **£499k** for 21/22 and **£1,681k** for 22/23 and excludes the cohort of children seeking asylum in Slough, having fled from unsafe situations in their home countries and are the subject of a separate claim.

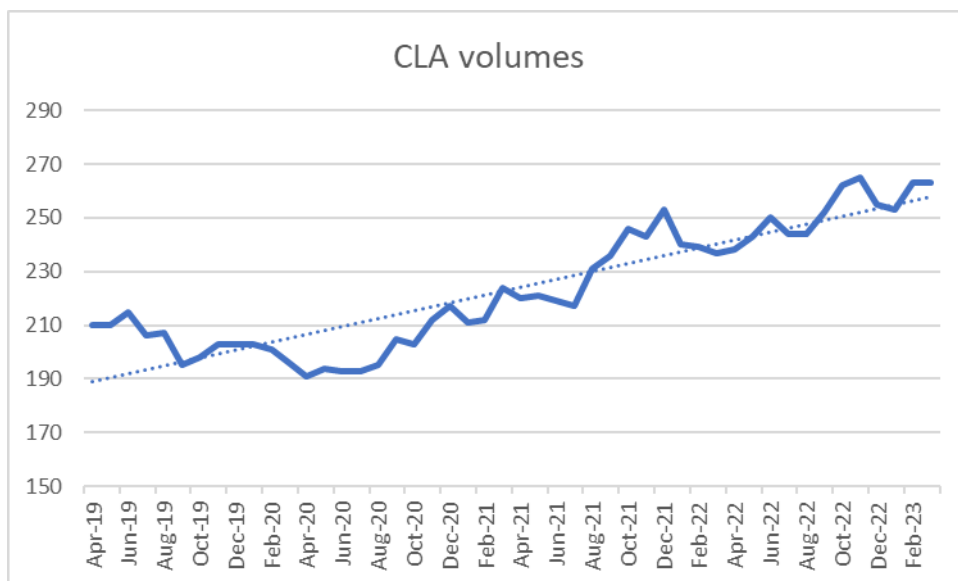
The additional burden on the Company from rising demand

SCF are requesting additional funding of **£2,180k** to cover spend over budget for the period Apr 21 – Mar 23 from an increasing volumes of children being looked after.

The total spend over budget is **£1,160k** for 21/22, but previous funding claims and reallocation of additional income has brought this down to a balancing figure of **£499k**. For 22/23 the total spend over budget and claimed for is **£1,681k** as UASC costs are included in a separate claim.

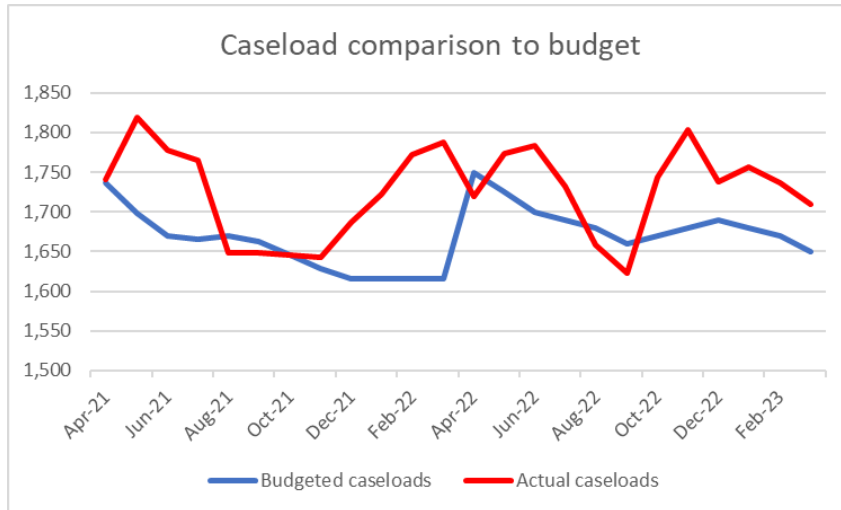
The extent of the increase in the demand for services

The overall children in care population has grown since 2019/20 as seen in the graph below.





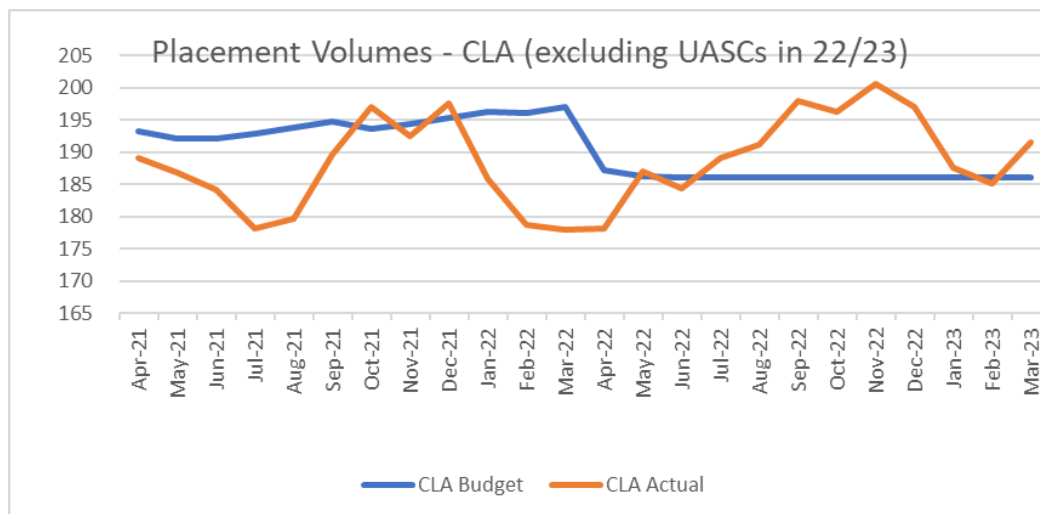
Total caseloads were projected to fall for 2022/23 as part of the budget setting post Covid pandemic. With the significant rise in inflation and the impacts on food and fuel, the cost of living is no doubt having a bearing on the volume of activity and referrals in children’s services, with caseloads remaining higher than projected, and this impacts on all services, including the volumes of children placed in to care.



There are an additional 4 FTE in placement in 22/23 to that projected in the budget, the impact of this results in an additional cost burden from the additional placements.

The complexity of need of young people in care, and the mix of where they are placed has meant the average unit cost has risen from £616 per week to £693 per week.

Levels of children looked after in placement have risen significantly since April 2021 and exceeding budget estimated growth in CLA placements (excluding UASCs), the chart below shows the profile for the year against budget.



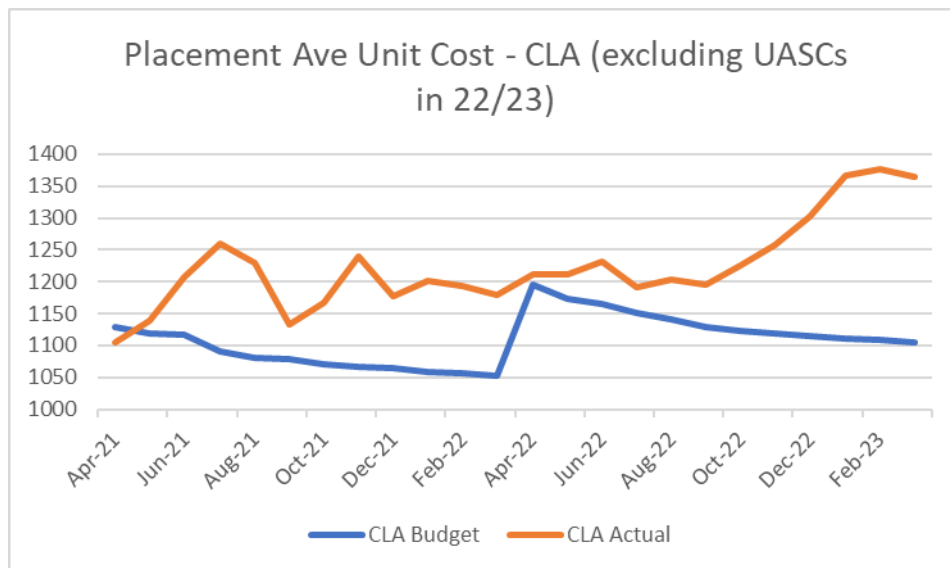


Nationally, the care population has increased and with a shortage of placements for young people in care, reduced supply and increasing demand has also increased rates. The graph below demonstrates these increasing rates, and also shows how in the 22/23 budget, unit rates were expected to fall in SCF with the implementation of the 16+tender. However, the tender for the procurement of Semi Independent accommodation and support for 16-25 year olds proved unsuccessful through the lack of a provider able to deliver a financially viable proposal for independent accommodation for 18-25 year olds.

There have been a number of high-cost semi-independent placements which have had an adverse impact on the budget. One exceptional cost for an individual child was almost £10k per week due to the level of support required.

Expected increases in in house foster carer recruitment following the implementation of additional complexity allowances, although welcomed by carers, has not lead to the hoped for increase in carer numbers, with a larger than budgeted for reliance still on External foster placements at higher rates.

There have also been a number of shorter term but higher cost residential packages for teenagers at risk of criminal exploitation placed in year with average weekly costs of over £7k per week.



Court delays stemming from the Covid pandemic still exist for some cases, especially those with added complexities and complications such as a foreign element or where numerous family assessments are required, has continued to prolong some children in care, or mother and baby placements longer than they may have otherwise.



The Implications on Resources from Demand

The table below shows the additional cost burden position against budget year to date of **£499k** for 21/22 and **£1,681k** for 22/23. The key variances are in residential for both years, external fostering placements for 21/22 and 16-18 semi-independent placements for 22/23.

	21/22 YTD total	22/23 YTD total
Budget	£000's	£000's
Res	3,701	3,989
IFA	4,191	4,339
In house	1,638	1,767
16-18 Semi	1,201	876
UASC	311	1,046
Secure	229	66
SGO	1,380	1,518
Adoption	783	761
	14,720	14,363
Actual		
Res	4,311	4,521
IFA	4,565	4,195
In house	1,461	1,558
16-18 Semi	1,176	2,025
UASC	816	1,484
Secure	17	99
SGO	1,444	1,607
Adoption	805	847
	14,395	16,336
Variance		
Res	(610)	(532)
IFA	(374)	143
In house	177	209
16-18 Semi	25	(1,149)
UASC	(505)	(438)
Secure	212	(33)
SGO	(64)	(88)
Adoption	(22)	(86)
Total	(1,160)	(1,974)
UASC	0	293
Less previous claims	661	
Total - less UASC impact	(499)	(1,681)



The table below shows the impact on CLA placement volumes by FTE year to date. Again, residential variances and semi independent are the main differences v budget.

Volumes	Average 21/22	Average 22/23
Budget		
Res	18	16
IFA	82	80
In house	74	77
16-18 Semi	18	13
UASC	8	30
Secure	2	1
SGO	160	160
Adoption	77	71
Total	443	447
Actual		
Res	18	19
IFA	85	82
In house	67	71
16-18 Semi	16	18
UASC	20	36
Secure	0	1
SGO	158	150
Adoption	76	75
Total	448	452
Variance		
Res	- 0	- 3
IFA	- 3	- 2
In house	7	6
16-18 Semi	2	5
UASC	- 13	- 6
Secure	1	0
SGO	2	10
Adoption	1	4
Total	- 2	4

The table shows the adverse volumes in residential each month, the cause of the adverse spend on that budget line. There have been a number of mother and baby placements this financial year, more than previous years.



Semi independent placements are also adverse to budget, also contributing to the overall position. There have been no housing panels since June, which has led to a delay in some young people moving on to their independent living, and partially explains the rise in 16-18 semi independent numbers.

16-18 semi independent rates have increased 10% since 1 April 2022. This is in part an impact from inflation rises, but also delays in implementing the 16-25 tender plans aimed at reducing current rates which had been built into the budget as a saving. The delays a consequence of the provider no longer able to deliver against the original specification with the rises in cost of living. Alternative housing solutions are being explored for 23/24.

SCF commissioned PeopleToo to introduce a robust process for negotiating inflationary requests on 4th May 2022. PeopleToo developed a form for completion by suppliers for any such inflationary requests, this was sent out to all suppliers on 16th June 2022. The form captured details of why an inflationary uplift was required providing details to support the request to allow for detailed scrutiny of the cost uplifts on the suppliers to assess for reasonableness.

Information and Supporting evidence on steps the Company is taking to manage the said circumstances/ events within the initial Contract Sum

SCF are undertaking a number of activities to drive cost efficiencies and incremental income to assist with the pressures.

- SCF engaged **Homes 2 Inspire** to look at the opportunity of developing residential provision in Slough. SCF are working with housing to identify potential properties to meet this need and deliver savings.
- SCF have completed a **tender on 16-25 accommodation** and working with a provider to deliver against sufficiency plans. This includes the provision of emergency beds to allow time to find more suitable longer-term accommodation that matches the needs of the young person and provides better value for money.
- SCF have been **engaging new providers** to enter the local market and deliver greater competition.
- SCF are implementing against the **IFA recruitment strategy** to bring new carers onboard. Having achieved the Ofsted rating of Good, this provides greater opportunity to attract new carers. Looking further afield than just Slough, recognising the limitations of opportunity in Slough itself.
- SCF are working with a local provider to develop a **new provision designed for UASCs**, recognising the increasing demands for UASCs. This will be tailored to meet their specific needs and provide for a better value option.
- **Top 20 most expensive placements** challenged on bi-monthly basis to ensure best value.



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- Development of an **External Placement Panel** to focus on high cost, external placements with a tighter grip on review of time, additional support costs and step downs to drive value for money through appropriate placement decisions and more emphasis on permanence.

Any other information the Company and/or Council reasonably consider to be helpful for the Council to consider

The recent Mutual Ventures report on the business plan highlights that SCF and costs for children in social care are in the bottom quartile for cost per capita, suggesting costs of services are not excessive.

However, SCF accept there is other benchmark data which does not paint SCF in as good a light, largely around the high referrals but this must be seen in the context of Slough and the immature Early Help system. It is expected that with the investment in early help services this will result in fewer referrals to care and an improvement in the benchmark analysis.

It is commonly reported in the national press that children's services up and down the country are also overspending on their budgets with the rising demands for service.¹

¹ For example: [LGA: Eight in 10 councils forced to overspend on children's social care budgets amid soaring demand](#) | [Local Government Association](#) And [Safeguarding Pressures](#) | [ADCS](#)