



Appendix B: Budget 25/26 Summary

Sept 2024

Alex Pilgerstorfer

Company Savings – 24/25 – 25/26



The Company appear to be managing within its cost envelope for 24/25 due to variances in demand v forecast expectations. The company has robustly reviewed the balance sheet and feels able to release some specific provisions and lower the levels of general provisions for agency, placements and other costs. The Home Office has further confirmed prior year funding for our 18+ age group of supported Unaccompanied Asylum SCs this month, and therefore with more certainty of income for 24/25, it is felt that £1,361k can be further offered back to the Council.

The Board has agreed to this one off core contract reduction of payment in 24/25, bringing the total in year savings to £2,011k.

In addition to this, the Company feels able to reduce its Core Contract value by £870k for 25/26 from £39,043k to £38,173.

	£'000s
Agreed reduction - June	£ 650
Additional agreed - September	£ 1,361
25/26 Core Contract Reduction	£ 870
Total in year reduction	£ 2,881

Budget model – 25/26

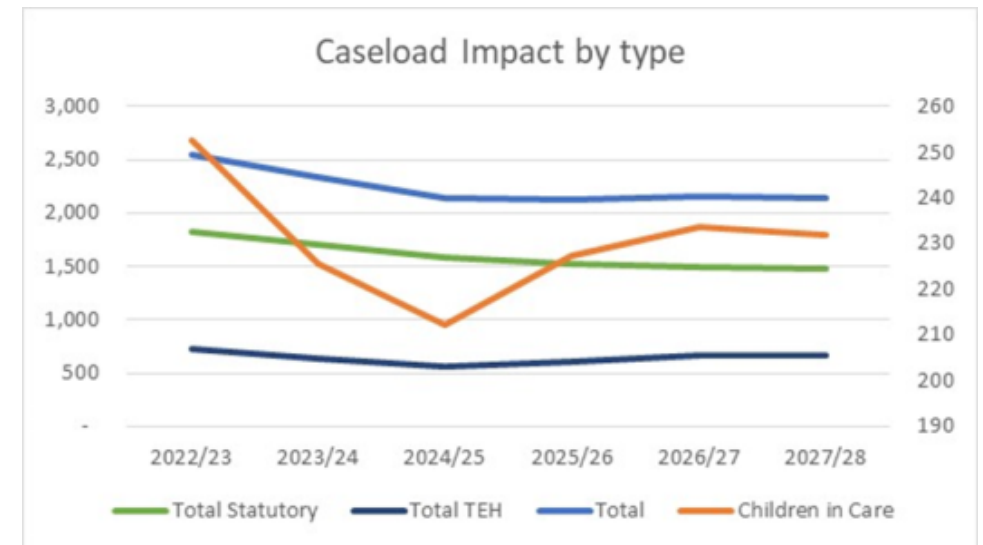


The Budget Model and Draft 1

The process for determining the level of funding to request from the council in relation to 25/26 is set out below.

- **All costs are driven from initial activity calculations**
- **Caseloads, placements and care leaver profiles** are all built up on the following assumptions:
- Based on Apr – Aug actuals and Sept – Mar forecast, including any specific provisions
- Demographic growth – 1.3% over the year. Based on ONS data (est at 2018) including projected births. Adjusted upward by 1% for high fertility rate in Slough. Results in a decline from 26/27
 - **Impact is increase of 47 by March 2026**
 - **Translates into growth of 5 into CLA and 3 in placement by March 2026**
- Manipulated growth of UASCs back to 43 by year end – 0.07% figure
 - Impact is growth of 24 by year end
- Assume step downs to TEH reach a further 85 by March 26 – out of CIN
- Edge of care impact in 25/26 is reduction of a further 8 from CLA – following 3 in 24/25

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Assessment	418	433	393	368	371	371
CIN	527	486	473	426	378	376
CP	256	236	205	204	206	206
CLA	253	225	212	227	233	232
CL	233	247	241	243	246	245
Other	144	79	61	55	55	55
Total Statutory	1,830	1,706	1,585	1,524	1,490	1,486
Total TEH	722	632	557	601	660	660
Total	2,551	2,338	2,142	2,125	2,149	2,146



Budget model – 25/26



- **Placements profile** for children in our care is as per the below profile, with further changes from the following activities impacting favourably on the mix of placements and therefore overall unit cost:
 - Transfer of 5 to In House fostering from External IFA through Recruitment and Retention Hub
 - Transfer of 2 to In House fostering from External IFA through Resilience Fostering
 - Transfer of 2 to SGO from External IFA through ending of assessments
 - Edge of care work – based on Brent model targeting reduction of 10 per annum – 3x lead profs, ave. case load of 5, working for 6 months, 34% success rate
 - Assumes CLA placements are 84% of total CLA cohort v 84% as at July
- Contract inflation is as per SBC at 2%
- **Placements** budget profile is currently as per the below.
- Rate changes include commissioning delivering cost reductions of £144 per week on 6 beds for our UASC population.

Placement Type	01/04/2025	Demo growth	UASC	Recruitment	Resilience	Edge of Care	SGO	31/03/2026
Res	18.00					- 1.00		17.00
IFA	61.00	1.39		- 5.00	- 2.00	- 4.00	- 2.00	49.39
In house	59.00	1.35		5.00	2.00	-		67.35
16-18 Semi	13.00					- 3.00		10.00
UASC	19.00		24.00					43.00
Secure	1.00							1.00
Total CLA	171.00	2.74	24.00	-	-	- 8.00	- 2.00	187.74
SGO	145.00						2.00	147.00
Adoption	68.00							68.00
Total Permanent	213.00	-	-	-	-	-	2.00	215.00
Total Placements	384.00	2.74	24.00	-	-	- 8.00	-	402.74

Budget – Placements



Placement Budget 2025/26

	Budget 24/25			F'cast 24/25			Budget 25/26			Budget 26/27			Budget 27/28		
	FTE	Rate	Total	FTE	Rate	Total	FTE	Rate	Total	FTE	Rate	Total	FTE	Rate	Total
Children Looked After	£'000s			£'000s			£'000s			£'000s			£'000s		
External Residential	18	5,640	5,234	16	5,397	4,456	18	5,123	4,800	17	5,225	4,651	16	5,343	4,563
Asylum Seeker 16-18 (Semi-Independent)	45	832	1,966	23	868	1,038	32	854	1,424	43	865	1,939	43	881	1,976
Semi Independent < 18's	15	1,684	1,329	15	1,608	1,293	11	1,817	1,086	9	1,853	901	9	1,895	916
Secure Remand	1	4,725	248	1	2,296	120	1	2,342	124	1	2,389	127	1	2,443	130
Total Children Looked After	79	2,123	8,778	55	2,400	6,907	62	2,283	7,434	70	2,075	7,618	70	2,088	7,585
Permanency															
Adoption Allowances	74	236	913	69	223	804	68	230	815	68	235	832	68	240	851
Special Guardianship Order	157	203	1,664	149	228	1,764	146	245	1,868	149	250	1,939	151	256	2,009
Permanency total	231	213	2,576	218	226	2,568	214	240	2,684	217	245	2,770	219	251	2,859
Fostering															
External Fostering Agency	70	1,084	3,970	63	1,091	3,573	55	1,147	3,275	45	1,170	2,752	40	1,197	2,502
In House Foster Carers	67	478	1,670	59	470	1,458	64	462	1,532	68	472	1,679	71	482	1,782
Fostering Total	137	788	5,640	122	789	5,031	118	779	4,806	113	749	4,431	111	740	4,284
Total Placements	448	728	16,995	395	704	14,506	395	725	14,924	400	710	14,819	399	708	14,728
Careleavers	68	636	2,245	74	803	3,100	63	756	2,478	45	756	1,775	63	788	2,569

Budget model – 25/26



- **The Care Leavers** budget has been put together with the following additional assumptions and activity built in:
 - CEYP – 1% growth based on pop'n / demographic growth
 - UASC – growth based on entry into care 18 months ago – at aged 16.5
 - 12x UASCs given LTR during the year and become financially self sufficient
 - Assume CEYP have quota of 10 Social Housing applications during the year
 - Commissioning activity for private let arrangements for NRTPF cohort delivering cost savings of £113 per bed across 18 beds

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Revised volumes excluding Asylum seekers	28	21	19	15	11	11
Revised volumes Asylum Seekers	20	41	55	48	34	51
Total	48	61	74	63	45	63

- **Legal** costs are continuing the lower spend from 24/25 changes. Contract hourly rates have increased 19% but have been offset with continued rigour on issuing proceedings leading to lower volumes in court. Disbursements including ISWs and the use of counsel are also expected to continue to reduce by a further 10%.
- Little change in **Other Child Support Costs** other than care leavers already mentioned above.
- **Overheads** growth includes calculated recruitment costs for 24 employees due to increasing turnover of the workforce. It is currently at 26%. 8 international social workers are also included within this figure.
- It is understood that the printing contract SBC hold is going out to tender and it is hoped to generate small savings.
- It is expected that the Regional Recruitment hub will incur costs of £25k once the grant funding ends
- Growth for Agresso costs have been built into **SBC SLA's** but with no further inflationary uplift or additional costs.

Budget model – 25/26



- **Staff budgets** have been put together based on current establishment and changed for known re-structures.
- Pay inflation has been included at 2%, following an assumed 4% in 24/25.
- Vacancy factor is at 8% for all post types except front line case holding which is 3%.
- Additional maternity leave cover has been included at 12 during the year – costing £185k in total, growth of £98k.
- We have allowed for 14 established posts to be covered with interims based on the expected end position at 31st March 2025 across front line services only. A 20% uplift to cost is added to the budgeted cost of the post being filled by a permanent worker.
- The assumptions are that 89% of the workforce will be permanent and 4% on average will be agency. Vacancy factor is an average of 7%.
- Current actuals are 80 : 9 : 11.

	24/25 Budget				25/26 Budget			
	FTE			£	FTE			£
Pay	309.12	89%	£	18,012	315.09	89%	£	18,068
Agency	13.89	4%	£	1,633	13.43	4%	£	1,180
Vacancy	24.31	7%			24.06	7%		
	347.33	100%	£	19,645	352.57	100%	£	19,248

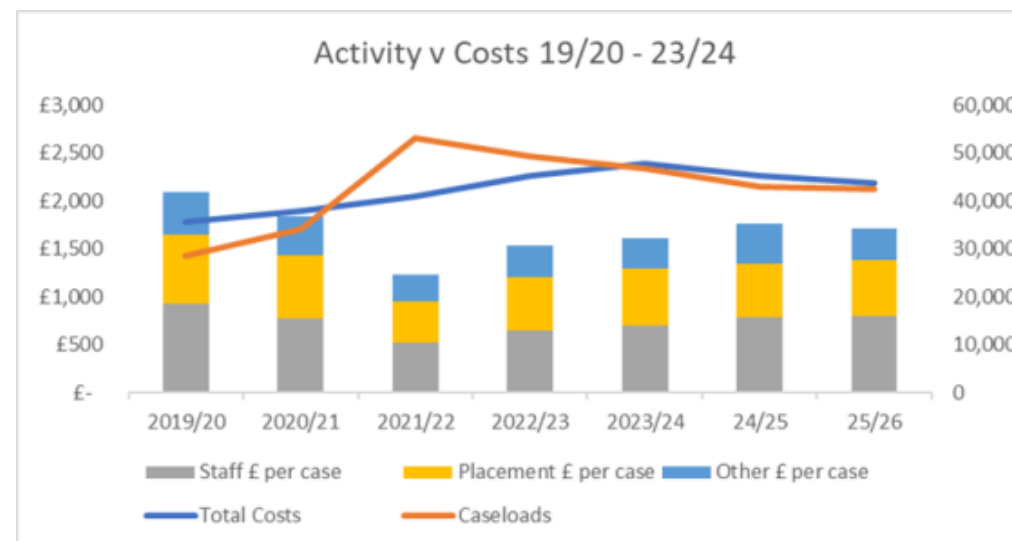
- It is our understanding that SBC have available a pot for Transformation funding in the region of £2m and SCF would like to continue funding the Improvement Lead from here to support for its improvement journey.

Budget – Key Metrics



Key Metrics				
	2023/24 Act	24/25 Bud	25/26 Bud	24/25 F'cast
Permanent Staff	295	324	339	278
Agency	51	23	13	31
Total Staff	346	347	353	310
Children open to SCF - Statutory	1706	1747	1524	1585
Children open to SCF - Early Help	632	684	601	557
Children open to SCF - Total	2338	2431	2125	2142
Children on a CIN plan	487	490	426	473
Children on a CP Plan	236	250	204	205
Children Looked After	225	248	227	212
Care Leavers in accommodation	61	78	63	65
UASC <18	27	50	32	28
UASC >18	38	57	48	50
Total UASC	65	107	80	79

Detail	2019/20	2020/21	2021/22	2022/23	2023/24	24/25	25/26
Front line	31,753	34,232	35,736	38,420	40,250	36,398	36,398
Early Help	0	0	1,176	1,764	2,294	2,320	2,320
Corporate	3,889	3,508	4,052	4,923	5,170	6,361	6,361
Total Costs	35,642	37,740	40,964	45,107	47,714	45,080	43,641
Caseloads	1,422	1,708	2,656	2,459	2,338	2,142	2,125
£ per case	2,088	1,841	1,225	1,534	1,608	1,754	1,711
Staff £ per case	927	766	514	641	695	790	796
Placement £ per case	716	668	436	556	592	555	585
Other £ per case	446	407	274	337	321	410	330



Budget changes



- **Income** forecasts for 25/26 already assume a reduction of various grants by £1,774k, although some is directly offset with cost reductions. £428k comes from reduction of support from Health for children with additional needs and £723k from loss of Home Office income due to reduced UASC numbers, again offset partly by cost reductions.
- Rolling forward the Business and Improvement Plan and updating the baseline volumes and rates, the model is suggesting a net reduction to core contract of £870k, delivering £5,297k of savings or cost reductions, offset by income loss as above, growth requirements and adjusted baseline figures of £1,780k and inflationary growth of £845k
- On top of additional in year savings, this could offer back to SBC £2,881k of savings over 2 years.
- SCF therefore make a core contract funding request of £38,173k for 25/26.

	2025/26
Prior Year Core Contract	39,043
Variations	
Pay Inflation -	412
Contract Inflation -	434
	845
Loss of Income	
DfE Grant	287
Other Grant income	336
Health income	428
	1,051
Growth	
CEYP - rebase of rates	662
Agresso costs	66
	728
Savings	
Full year effect of robust oversight of External Placements Panel & rebase of volumes and rates	(1,444)
Fostering - resilience, growth of in house carers and conversion to SGO	(157)
Edge of care preventative work impact on CLA placements	(77)
CEYP - volume reductions from Housing and more timely engagement with HO plus market engagement securing more cost effective private let arrangements	(642)
Legal	(284)
Overheads - Printing, Stationery, mileage, interest	(89)
Income growth from fostering and Breakaway services offered to other Las	(46)
Staffing savings from re-design and agency reduction	(755)
	(3,495)
Total Variation to Funding Requirement	(870)
Proposed Core Contract	38,173

Profit and Loss Account 25/26



	Outturn 2023/24 £000's	Forecast 2024/25 £000's	Budget 2024/25 £000's	Plan 2025/26 £000's
Income				
SBC Income	(40,515)	(37,038)	(39,049)	(38,173)
SBC other income	(100)	(250)	(100)	(150)
DFE Income	(1,073)	(710)	(749)	(462)
Grant Income	(4,325)	(4,699)	(4,981)	(4,022)
Other Income	(1,522)	(1,288)	(1,316)	(949)
Total Income	(47,535)	(43,985)	(46,196)	(43,756)
Expenditure				
Pay & Agency	20,062	19,791	19,645	19,119
Placements	16,830	14,150	16,995	14,924
Support to children and young	4,991	4,874	4,464	4,565
Legal fees	1,716	1,875	1,875	1,640
Overheads	3,935	3,294	3,216	3,358
Transformation costs			0	150
Total revenue expenditure	47,534	43,985	46,195	43,756
Revenue (Surplus) / Deficit	(1)	(0)	(0)	(0)

Budget – Further Considerations



Service	Description
Support Service Review	1x PA post, sharing Comms & Complaints, aligning Data
	Merging contracts for learning, employee assistance
	Using Technology to allow review of Business Support function
	Join up fostering and staff comms, training and marketing functions
Demand Management	Reconfiguration of FD, THE, MASH and EDS - HofS posts
	Reconfiguration of FD, THE, MASH and EDS - EDS Contract coming in house
	Working Together - review of Lead professional being FHP rather than SW - £10k saving per post
	Family Hub model - prevention and targeted, TAS, FD referrals, empower communities, locality based
	Review of IRO / FIRO and CP functions
Merging of services	Merge CWD with SEND - reduction of 1xTM
	Merge CWD with Adults transition - reduction of 1x TM
	Resdesign of VST & NEET offer, including across Education functions - reducing VST Head and review of posts
	Fostering - review of unit costing v commissioning model
	Fostering - review of unit costing v merge with other LA
	Exploitation / EYJS - Merge LA's for a more regional approach to exploitation
Role redefinition	SW undertaking PEPs and Life Story work
	THE - Develop roles to encompass Family Group Conferences
Placement Opportunities	Stretch targets for Social Housing and Private Housing - £39k per placement saving
	Stretch targets for Resilience fostering and In house recruitment - £35k per placement saving
Income Opportunities	Review of Contact Centre - property rationalisation and income generation
	Investment in bid writer shared with Education / other services
	S20 - cross charging parents
Legal & FDAC	FDAC Investment

The Company is also looking at other options for delivering differently and will look to link in with SBC re joining up on some further areas to explore.

£100k of additional savings from this list has been included in the 25/26 reduced contract sum.

The Board is keen to understand what further opportunities there are to bid for Invest to Save funding



Thank you for listening

Alex Pilgerstorfer

Alex.Pilgerstorfer@sloughchildrenfirst.co.uk

07511 048428