

1. Children and Family Services Revenue Overview

1.1 The revenue forecast outturn position for Children and Family Services for 2020/21 is a £2.643m overspend; of this £2.819m is due to Covid-19 therefore the underlying budget position is £0.176m overspend. This is further analysed in the paragraphs below.

Children's and Family Services Month 3 Forecast Outturn

| Service | 2020/21 Budget | Actuals to 30/06/2020 | Forecast Outturn (before reserves) | Reserve Movements | Month 3 Forecast Outturn after reserve movements | Month 3 variation to revised budget | COVID Impact | Month 2 variance | In-Month change |
|---------------------------------|----------------|-----------------------|------------------------------------|-------------------|--|-------------------------------------|--------------|------------------|-----------------|
| | £000 | £'000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Children Social Care | 46,183 | 11,209 | 47,755 | 0 | 47,755 | 1,572 | 1,324 | 2,214 | (642) |
| Early Intervention & Prevention | 11,889 | 2,383 | 11,131 | (109) | 11,022 | (866) | 329 | 137 | (1,003) |
| Education Skills | 5,882 | 3,390 | 7,001 | £0 | 7,001 | 1,119 | 1,166 | 1,166 | (47) |
| Family Services Management | 406 | 253 | (829) | £0 | (829) | (1,235) | £0 | 200 | (1,435) |
| Sub Total | 64,360 | 17,236 | 65,058 | (109) | 64,949 | 589 | 2,819 | 3,717 | (3,128) |
| 18-25 | 5,019 | 1,759 | 7,072 | 0 | 7,072 | 2,053 | £0 | £0 | 2,053 |
| Total | 69,379 | 18,995 | 72,130 | (109) | 72,021 | 2,642 | 2,819 | 3,717 | (1,075) |

1.2 The total COVID financial impact at month 3 is estimated to be £2.819m, shown in the table below. These figures represent the position which will be included on the 4th return to MHCLG (mid July). The overall COVID forecast has decreased this month as we get more data coming through. We are also seeing costs hit the accounts now with circa £700k coming through to date.

As of M3 we are keeping the forecast largely as it was last month. However, where we have had revised figures, we have reduced the risk amount from £1.500m to £1.004m as can be seen in the emerging risk section below. As the COVID situation develops further, and the impacts of it are more clearly known, this will be updated.

Children's and Family Service Covid-19 Financial Impact

| Service Area | COVID-19 Impact | Commentary |
|------------------------|-----------------|--|
| | £'000 | |
| Children's Social Care | 350 | Increase in demand of young adults identified as requiring more expensive and extensive support due to breakdown of current arrangements |
| | 200 | Cost increase of legal proceedings and agency costs as a result of COVID |
| | 264 | Block booking of Champion House to cover surge in demand. Discussions are ongoing as to whether we can recover this from the CCG |
| | 200 | Cost of increased subsistence for those out of school/college |
| | 180 | Cost of additional support for Children with disabilities and 18-25 |

| | | |
|---|--------------|---|
| | 200 | Cost of increased placement costs |
| | 130 | Miscellaneous others |
| Children's Social Care | 1,524 | |
| Early Intervention & Prevention | 718 | Supplier relief granted to Cambridge Education for lost income from not selling traded services due to lockdown and additional spend requirement on SEN tuition and transport |
| | 448 | Supplier relief granted to ISS due to lost parental income on school meals. This is the net costs to ISS after relevant cost savings were factored in also. |
| | 75 | 50% of overall forecast for lost income from fees and charges in libraries. Remaining 50% sitting in risk |
| | 54 | Miscellaneous others |
| Early Intervention and Prevention | 1,295 | |
| Children's and Family Services Total | 2,819 | |

1.3 The underlying budget position is currently £0.176 underspent, of which £0.487m is due to planned savings that are currently at risk of not being achieved offset by £0.663m underspend on BAU. The detail on the savings can be seen in the savings section below.

1.4 The BAU underspend of £0.663m is made up of various factors. The main areas are 18-25 which is projecting a £2.000m overspend, UASC which is showing as £0.600m underspent and pressures funding of £1.236m that needs to be transferred across budgets as part of an overall realignment ahead of M4.

1.5 Mitigations:

- Mitigations weren't considered as part of M2 but have been looked at this month. As a result, the underlying BAU position is one of underspend. As part of ongoing work, the placements and MTFs board are looking at methods for saving money and driving efficiencies. There is also a piece of work being done by finance around accruals accounting which will give clarity around the year to date picture and aid these conversations. These have been trialled for the first time this month and this has helped validate the forecast in those areas.

Emerging Risks

1.6 There are various risks that are known but not included within the current forecast. Once there is a greater degree of certainty over the outcome of these, they will either be included in the forecast or removed from the risks. The table outlines known risks as of Month 3.

Children's and Family Services Emerging Risks

| Description of Risk | Mitigating actions |
|--|---|
| Difference between COVID amount included in forecast and total potential COVID amount identified. Including in risk until more certainty available | N/A at this point in time |
| TFL removing free travel for U18's | N/A at this point in time |
| Supreme court ruling on working night shifts and minimum wage | N/A at this point in time |
| Haringey Council invoices | Discussions ongoing with Haringey regarding the amount in question- we believe the figure should be lower |
| Wirecard going into insolvency | Moving to another card provider and loading no new money onto existing cards |

2. Savings

2.1 Total Children's and Family savings are £2.719m of which £2.232 are currently on track. This leaves £0.487m as a pressure which is currently offset against current forecast underspend across the service.

- £0.225m- This is the unrealised part of the £0.450m placement saving. The plan was to increase recruitment of our own foster carers to reduce the need for more expensive independent fostering. Progress has been slowed due to COVID and general market conditions. The saving therefore looks unlikely to be fully realised this year. However, the placements programme board is meeting regularly to drive this forward.
- £0.150m- This is the unrealised part of the saving set for us to receive £0.300m from CHC. It is currently anticipated that only half of that will be realised.
- £0.100m- This is the unrealised part of the saving set relating to reduced agency staffing costs and increased permanent social workers. This saving was originally £0.200m. However, COVID has slowed this and the full realisation is in doubt.
- £0.012m- This is the unrealised part of the £0.130m that was earmarked as a training saving through utilising the apprenticeship levy. However, it was confirmed that the training in question cannot be funded from the apprenticeship levy so this will not be achieved.