

COVID-19 Impact on Children's Services – Overall Context

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Overall Financial Position



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Overall Financial Position – Children's Services



- The general fund is projected to be overspent by a gross £5.5m before any relief for COVID-19 has been applied. This forecast includes the impact of Covid -19 estimated at a £4m pressure resulting, therefore, in a net position of a £1.5m overspend without any impact of Covid-19.
- Following last year's inspection, work has continued to strengthen the Divisions and ensure a more stable footing for finances and staffing structures. As part of the Continuous Improvement Plan, Children's Social Care are also working to reduce the current reliance on agency staff. Over the past year this has reduced steadily, although in recent months we have accelerated this process



Overall Financial Position



- Covid-19 will have a specific impact on the financial position in Children's Services in a number of ways.
 - Additional demand – likely to be particularly seen in respect to Children's Social Care placement budget.
 - Loss of income – income is generated through traded services particularly with schools. This will be largely concentrated around the Contract Services Team in Youth and Commissioning
 - Savings not realised – a number of existing saving opportunities and restructures have had to be paused which will mean that full saving will not be realised.



Areas of Pressure – Children's Social Care



- Staffing and placements, while currently on budget, the impact of Covid 19 is currently not quantified.
- S.17 - £350k of this overspend relates to pressures related to Covid-19 and is linked to increased demand of No Recourse to Public funds claims. This is driven by many families that previously had income via the “off the books” hospitality/fast-food sector no longer having income due to lockdown.
- Direct payments - demand for respite for children with disabilities may rise significantly in the latter half of the year as restriction on placements are eased.



Areas of Pressure – Youth Services and Commissioning



- Contract Services – This is a significant area of pressure which has been exacerbated by Covid-19. This is as a result of lost income of over £1m as a result of Covid -19 from school catering due to school closures.
- There were a number of service restructures which have had to be paused during the pandemic which will result in the full savings not being realised.



Areas of Pressure – Education and Partnership



- A large amount of the budget for this part of the directorate comes from the Dedicated Schools Grant and significant overspend in the High Needs Funding Block element. There has been an increase in funding for this, however we are still forecasting a £4m pressure. This pressure is made up of £3.1m related to SEN Education, Health and Care Plans & £0.6m from the loss of income from managed moves of pupils and the exclusion of pupils.
- The significant delay in restructuring of the Support for Learning service has resulted in a £0.3m staffing pressure within the Support for Learning Service



Areas of Pressure – Education and Partnerships – continued



- The Council have met with the DfE and presented the recovery plan to manage the overspend on the High Needs Funding Block (HNFB) and how it will be addressed over the period 2019 – 2022. The actions include:
 - significantly reducing the funding retained by LBTH to deliver support services (SLS restructure),
 - reducing the demand for centrally retained funding for Alternative Provision,
 - reducing the rate of increase in EHC plan numbers,
 - a reduction across all school top-up payments
 - re-provisioning of primary SEMH support



Future Savings



- Rationalisation and development of early help services from conception to age 25 in youth and commissioning
- Savings and traded delivery of education and partnership services
- Transformation of service delivery provided by the integrated early years service
- Transformation of service delivery following the youth service review
- Transformation of SEND transport commissioning
- Sharing Costs with CCG for Children with Disabilities - Reprofiting of agreed savings (SAV/CHI 004/19-20)

