

Title of Report	Children and Families Service Full and Mid Year Update Report to Members 2021-22
For Consideration By	Council
Meeting Date	25 January 2023
Classification	Open
Ward(s) Affected	All
Group Director	Jacquie Burke Group Director, Children and Education

1. **Summary**

- 1.1. Children's services in Hackney work in partnership to protect children and keep them safe from harm and help them thrive. The Children and Families' Service is the key service designed to protect children by working with families to support safe and effective parenting where children are at risk of significant harm. Where it is not possible for children to be safely cared for within their family network, the local authority will look after those children.
- 1.2. This report provides Members with oversight of activities within the Children and Families' Service including performance updates and information about key service developments and information about vulnerable adolescents and adoption. The report also includes information on Young Hackney, the Council's early help, prevention and diversion service for children and young people aged 6-19 years old and up to 25 years if the young person has a special education need or disability. Information on the Service's work with children and young people through Hackney of Tomorrow (Hackney's Children in Care Council) is included in the report.

2. **Recommendations**

- 2.1. **Council is recommended to note the contents of the report.**

3. **Comments of the Group Director of Finance and Corporate Resources.**

- 3.1. This annual report covers the period 2021-22. The outturn for 2021/22 for the Children and Families Service on a net budget of £61.6m was an overspend of £2.4m after use of grants and reserves of £11.8m including a drawdown

on the commissioning reserve of £3.97m and £6.3m of Social Care Grant funding. The overspend of £2.4m includes £1.2m of Covid-19 related expenditure incurred by the service. There has been a requirement to draw down from the commissioning reserve since 2012/13 due to the increase in complexity and the number of children in care.

- 3.2. The financial position for 2022/23 is a net budget of £64.2m for the Children and Families Service, and the service is forecasting to overspend by £1.6m (as at October 2022) after use of reserves and drawdown of grants totalling £13.1m (including full use of the commissioning activity reserve of £4.6m and £8.5m of Social Care Grant funding). Within the current forecast, cost reduction proposals have been agreed by the service to reduce the overspend within the year, and these are tracked on a monthly basis.
- 3.3. The Children and Families Service has continued to make contributions to the efficiency agenda of the Council. Over the previous nine years the service has delivered £11.9m savings with a further £650k targeted to be delivered in 2022/23. The increase in commissioning costs has been driven by an increase in complexity and the number of looked after children since 2011/12. There is a continuation of a large proportion of children being placed with independent fostering agencies (IFAs) due to a lack of suitable in-house foster carers. The cost of an IFA placement is significantly greater than that of an in-house placement. The service continues to be proactive in recruiting in-house foster carers to meet demands across the service
- 3.4. Hackney has also seen an increase in residential placements since 2015 adding considerable budget pressures with an average annual unit cost of £263k. There have been some improvements more recently in the number of residential placements, and the service is working proactively to reduce the level of placements. We are also seeing a rise in the number of under 18s in high-cost semi-independent placements. Where young people in their late teens are deemed to be vulnerable, and in many cases are transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages. These pressures have been recognised by the Group Director of Finance & Corporate Resources with a growth of £11.2m in total included in the budget across a number of financial years.

4. **Comments of the Director of Legal, Democratic and Electoral Services**

- 4.1. There are no legal implications arising directly from this report

Appendices

Appendix 1

Background documents

None

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