

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Children &amp; Young People Scrutiny Sub-Committee</b>
<b>DATE OF DECISION</b>	<b>20 January 2025</b>
<b>REPORT TITLE:</b>	<b>Budget Scrutiny Challenge</b>
<b>CORPORATE DIRECTOR</b>	<b>Stuart Collins - Corporate Director, Children, Young People and Education</b>
<b>LEAD OFFICER:</b>	<b>Stuart Collins - Corporate Director, Children, Young People and Education</b>  <b>Róisín Madden – Director of Children’s Social Care</b>
<b>LEAD MEMBER:</b>	<b>Maria Gatland, Cabinet Member for Children &amp; Young People</b>
<b>KEY DECISION?</b>	<b>NO</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>NO</b>
<b>WARDS AFFECTED:</b>	<b>All</b>

## 1. Introduction

- 1.1. The Children & Young People Scrutiny Sub-Committee have asked to be provided information on the following proposals in the MTFS -
- Children’s Social Care Demographic Growth & Market Pressures
  - Strategic Delivery Partner Savings
  - Post-ILACS Budget Impact on EDT
- 1.2. Each area is outlined below with a view supporting the Sub-Committee to better understand each of the areas in relation to sustainability, impact on service users,

where relevant if other options have been explored and how these link to the Mayor's Business Plan.

- 1.3. In addition to this report a presentation has been prepared and submitted to provide the opportunity for scrutiny to discuss developments in the provision of home to school transport.

## **2. Children's Social Care demographic growth and market price pressures – Growth - £15.138m**

- 2.1. Whilst the number of Children looked after (CLA) has remained relatively static through (Number of CLA – 534 April 2023; 539 Nov 2024) CLA effective demand management, the risk profile and level of need has increased. Providers in the market are increasingly risk adverse and this is contributing to increasing unit costs, compounding inflationary pressures.
- 2.2. For example, the average weekly unit cost for semi-independent placements has increased by 78% from August 2022 to August 2024, and residential placements average weekly cost by 38% over the same period. Alongside this the makeup of monthly placement spend has changed significantly in the last 2 years, residential & semi-independent now account for over 60% of monthly spend, compared to 38% previously. This is exacerbated by the inclusion of unregistered provision which is also used within this cohort. Driving down the numbers of children housed in unregistered provision is a key priority for the service.
- 2.3. Growth is needed to ensure we can provide placements that are fit for purpose, safeguarding the future of vulnerable young people. Growth modelling is based on the number of high-cost placements and projecting the financial impact if the trends seen over the last two years continue into the future. The directorate will continue to work with providers to stabilise cost, will build on the Ofsted findings of 'Good' practice to drive down demand and ensure that children receive the right service at the right time, and develop sufficiency to create new opportunities for internal provision.
- 2.4. National media reporting has rightly identified the challenge faced by all Local Authorities in challenging the inflated cost of residential care provided by the private sector, to better support our understanding a local benchmarking exercise has been

carried out to compare Croydon to our statistical neighbours. This benchmarking exercise concluded that the challenges faced in Croydon are not unique to us and other authorities are facing similar financial pressures. The impact of this review is ongoing to identify whether there are areas we can improve our financial position.

- 2.5.** All placement pressures are being reviewed, to ensure all mitigating actions are considered to manage the in-year position and longer-term trajectory of spend. The CYPE Strategic Delivery Partner, Impower, has undertaken an in-depth analysis of CYPE expenditure, and findings from this work are being used to develop a robust programme of transformation.

### **3. CYPE Transformation - Strategic Delivery Partner – IMPOWER Consulting – Saving - £3m**

- 3.1.** The savings identified to be delivered through the collaboration with Impower, as our strategic delivery partner, are based on the Impower knowledge and previous experience, the findings of the amplified analysis which they undertook between June – Oct 2024, and the collaboration with the service. The amplified analysis identified opportunities for improving the outcomes for children and young, whilst also improving our cost effectiveness. These opportunities broadly fit into four key areas –
- Early Intervention & Prevention
  - Sufficiency – Short & Long Term
  - Whole System Impact & Effectiveness
  - Driving Wider Opportunities
- 3.2.** Methodology for achieving savings and impact in each of these areas will vary according to the work being undertaken and the collaboration. However, both through the competitive process to engage Impower, and as part of our work with them since, we have tested, interrogated and challenged both their proposals and previous experience and have reassured ourselves that these are realistic and robust opportunities.
- 3.3.** Impower will be working with Croydon until March 2027 with a focus on achieving long term sustainable change, as well as realising impact quickly where possible. It is

expected that this work will continue to deliver financial into FY2027/28 and beyond. To ensure that this is effectively delivered part of Impower's fee is dependent on the delivery of the agreed savings. Metrics for this will be agreed and formally signed off by the CYPE Transformation & Improvement Oversight Group in February 2025 to ensure robust monitoring. This will include considering the impact of children, young people and families, and where relevant and appropriate children, young people, parents and carers views will be sought, they will be invited to co-create.

#### **4. Emergency Duty Team, (EDT)**

- 4.1.** The Ofsted Inspection identified that the pace of improvement in the Emergency Duty Team needed to increase. To address the issues identified increased management oversight has been provided, and specific practice improvement action has been provided by the designated roles within the Quality Assurance Division. These actions are starting to have an impact, and a robust improvement plan is in place. There has been no increase in spend by Children's Service to affect these improvements and no increase is anticipated, the changes to practice needed will be delivered through improved relational response to children and families needing help in urgent circumstances outside the usual working hours of the department.
  
- 4.2.** Resources have been increased within the CCTV room response answering initial calls within the budgetary responsibility of SCRER. Additional staff have been recruited to answer calls, the EDT Team Manager is part of the recruitment panel for these roles to ensure staff with the necessary interpersonal skills are recruited. Training will be provided to these new staff in CCTV by the EDT Service Manager to enhance the quality of response to callers. A senior officer is currently reviewing the impact of the totality of these changes, to consider the wider council improvement.