

Financial Observations – Supported Lodgings, Children in Care

The decision links to an MTFs Saving and seeks approval to undertake a pilot working in Partnership with Barnardos. The model aims to provide a Hybrid of support to Children in Care and Care Leavers aged 17+ by offering a room to rent in a family home 'host'. This enables them to be more independent by reducing direct involvement with the family compared to other Semi Independent arrangements.

The proposal is part of an approved £0.100m budget saving, increasing to £0.200m from 2022/23. Any delay will increase the risk of failure to achieve their financial target.

The pilot aims to work with 10 families supported by a Project Manager. Barnardos will employ and fund the post from legacy funding as a one-off. Should the pilot be successful and continue, the funding of the Project Manager will need to be funded by NCC and therefore costs should be taken into consideration to ensure sustained achievement of the financial target.

The total value of the decision is a maximum £0.104m. This assumes 10 hosts paid £200 per week for a period of 52 weeks. The average cost of Semi Independent placements at 31.03.2021 is £736 per week generating a saving of £536 per week, and £0.279m per year (assuming 10 hosts and maximum occupancy).

In terms of risk, there is no contractual obligation to use the Supported Lodgings accommodation if not suitable and payment is only required on actual usage of placements.

The pilot is for 12 months commencing May 2021 and therefore the financial advice within this report is only high-level. Whilst the programme will deliver savings based on the reduction in placement costs, it is difficult to quantify actual savings, as the number of hosts and dates of their engagement will differ.

The service would need to achieve 36% of the programmes maximum saving to meet the £0.100m saving target in year one.

Other considerations include:

1. The cohort should predominately include higher cost placements to ensure achievement of financial targets.
2. How sustainable is the model - are there more children suitable for the programme in the future?
3. In addition to point 2, there are several saving programmes aimed to reduce high cost children in care. The service need to ensure there is visibility across the programmes to avoid the risk of double counting and to scope the opportunity for wider transformation across the department.
4. Any changes to costs i.e. Project Manager will increase the level of saving required to meet the agreed MTFP and will need further consideration, including financial dispensation.

Financial Dispensation

The advice seeks approval from Contract Procedure Rule 4.1.2 in accordance with Financial Regulations 3.29, to award a contract directly to Barnardos to supply a Project Manager to manage the programme.

In accordance with the reasons provided within the report, this request seems appropriate.

Summary

The above are indicative figures using only averages and subject to change. Any deviation from the assumptions will require further financial analysis to highlight any impact to the performance and forecast outturn of the programme.

In light of the organisations financial position, it is imperative that placements and future staffing aligned to the programme are able to achieve the financial targets in all years.

The Childrens Sustainability Board is responsible for monitoring the programme, including all risks are documented with robust mitigation plans to ensure it achieves the financial targets aligned to the Medium Term Financial Plan.

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