

Scrutiny Briefing Note

This briefing note provides detail on the methodology regarding the calculation of in year cost impact of COVID on Children's Service of £7.5m. The majority of the impact was felt within Safeguarding & Early Help.

Subject:

The financial impact of COVID was felt across all areas of Children's Services from demand and not being able to exit children from the system, recruitment both retaining and being able to recruit replacement and additional staff but also in covering for absences where staff were ill or having to self-isolate, impact on other services, loss of income and delayed savings proposals.

Demand

The COVID pandemic led to an increase in demand in children entering the care system but also restricted the numbers who could exit the system, e.g. the court system did not operate at pre pandemic capacity levels. At the start of the pandemic the CLA numbers were 568 (23/3/2020) and at the end of the 2020-21 financial year this had reached 592. This is not the full story and the number of children in the system peaked at 612 around Christmas 2020.

Using a blended average cost of £60k per placement, the movement in Children's CLA numbers was monitored throughout the year and the cost in the change in numbers recalculated. A similar exercise took place on those children for whom additional education costs had to be incurred due to COVID.

At the end of the financial year 2020-21 a cost impact of **£3.1m** had been calculated.

Staffing

The impact of COVID resulted in additional cost for example in Children's Homes ensuring these were appropriately staffed when staff were absent through illness or having to self-isolate. This additional cost would have either been through overtime or agency cover. The financial impact was estimated at **£0.6m** which reflects the 2020-21 overspend position on Children's Homes.



The COVID pandemic prevented the significant recruitment of Social workers which necessitated the extension of the project agency Social Worker Teams together with the extension of individual agency Social Worker appointments. COVID also impacted on the ability to appoint to management and supervision roles and some agency staff had to be appointed to these. The use of agency is very expensive and as a broad estimate is approximately 2 – 2.5 times the cost of substantive post. A estimate was made of how much agency we would have used had there not been a pandemic using the previous financial year as a comparison together with a projection of the cost of additional agency if the pandemic had not occurred. Following this an estimate of the financial effect of the pandemic was calculated at **£2.8m** for additional agency staff costs.

Other areas

Other services within Children's Services incurred additional costs predominantly Home to school Transport where social distancing measures need to be put in place for example. The estimated cost impact of this was **£0.1m**.

Loss of income

The impact of lost income amounted to **£0.2m** which was comprised of lost PCN income for unauthorised absences, lost contract income and a number of other lost income streams.

Savings proposal unable to be implemented

Within Children's Services there were two such proposals. The financial impact was assessed to be **£0.7m**.

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