

Title of report: Investment in Children's Transformation

Meeting: Cabinet

Meeting date: 31st March 2022

Report by: Cabinet Member for Children and Families

Classification

Open

Decision type

Key

Wards affected

All Wards

Purpose

To request the drawdown from the Financial Resilience Reserve, a total of £11.49m to support the ongoing delivery of the Children's Services Improvement Plan.

This further investment will build on and maintain the pace of improvements already delivered in 2021/22 and provide the foundations for a more secure and resilient service for the future. This funding is recommended to be allocated in two tranches, with £5m in tranche one from April 2022 and a further £6.49m from July 2022 when detailed progress against plans will also be reported.

The staffing resource asked for equates to an additional 122.75 FTE (2022/23) reducing then to 82 (2023/24) followed by further monitoring and review, against a currently approved base budget of 429 FTE (2021/2022).

Recommendation(s)

That:

- a) **The drawdown of up to £11.49m from the Financial Resilience Reserve, in two tranches as laid out above, is approved to support resourcing the transformation stage of children's services; and**
- b) **Cabinet note the increased base budget requirement for 2023/24 onwards.**

Alternative options

1. Cabinet could decide not approve the drawdown from the Financial Resilience Reserve. This option is not recommended as the increased capacity put in place during 2021/22 and improvement made in this period could not be sustained and the ability to deliver services would be seriously compromised.

Key considerations

2. Mr Justice Keehan delivered a Judgement (26 March 2021) with leave for the same to be published that identified serious failings in Herefordshire council's children's services.
3. Full council unanimously supported on 27 April 2021 the establishment of an improvement board as part of the assurance and improvement strategy following the High Court judgement.
4. Council agreed a £5.2m investment to address in the short-term some of the issues raised in the High Court Judgement and a breakdown of spend in 2021-22 is set out in Appendix A.
5. On 18 May 2021 the Department for Education issued the Council with a [non-statutory improvement notice](#).
6. A Focused Visit by Ofsted in July 2021 identified shortfalls in the capacity of Social Workers; an inconsistency of social work practice, and insufficient management oversight and supervision. The previous inspection by Ofsted in 2018 and each Focused Visit since has raised similar concerns and criticism of the lack of pace of improvement was identified in the July 2021 focus visit
7. The [28 October 2021 Cabinet](#) decision to endorse the [Children and Families Strategic Improvement Plan v1.0](#)
8. An independent audit project, commissioned by the Chief Executive, concluded on 21 December 2021 having audited in excess of 1,000 cases open to Early Help and Children's Social Care. Whilst none of the audits raised serious safeguarding concerns requiring immediate action, the majority of cases audited were deemed as being Inadequate or Requiring Improvement (to be Good).
9. Herefordshire Council maintains a strong commitment to improving performance in its children's social care services and outcomes for children and young people in Herefordshire more generally.
10. Core transformation of the service is expected to take three years before a level of sustained and sustainable improvement is achieved and is aimed at:
 - a. Improving outcomes for children, young people and their families.
 - b. Making working in Herefordshire an attractive and rewarding career choice.
 - c. Embedding systemic partnership approaches and exploring alternative models of delivery.

- d. Making the service financially viable for the future across a range of services the Council delivers.

All underpinned and driven by improvement across the system of practice, management, and leadership.

11. The additional Children's Services resource, resulting from this investment ask, will achieve improvements in Ofsted priority action areas:
 - a) manageable caseloads for Social Workers;
 - b) frequent and better quality supervision and management decision making;
 - c) consistently improved social work practice.

As mentioned in paragraph 10 above, it should be noted that this is part of a three year improvement plan. Whilst this additional resource will allow us to make better decisions for children, it will take time for significant impact to be evidenced in terms of outcomes for children and in improved service assessments. Outcomes for children will be regularly monitored by benchmarking and reporting against a set of measures that matter. Quarterly reporting will be presented to Improvement Board, Children's Scrutiny Committee and Cabinet.

12. During the financial year 2021/22 five additional social work teams have been added to increase capacity. These comprise one assessment team, two child in need teams, one child protection and court team, and a further team added to the corporate parenting service. Additional Management and supervisory capacity has been achieved through the re-introduction of Service Managers and Managing Practitioners to teams with higher volumes of workflow and decision-making (such as in the Multi-Agency Safeguarding Hub (MASH) and the Assessment Teams).
13. The investment in 2021-2022 has already led to increased stability of workforce, reduced caseloads (particularly in the Assessment teams), increased levels of personal and case supervisions, and increased frequency of visits to children and young people and their families.
14. Children's services have experienced and continue to see considerably higher volumes of contacts and referrals. This is in part due to significant amounts of legacy unmet need emerging, as well as improved communication and, in line with the experience of other local authorities, some impact of Covid-19 on children and families. Recent high profile national cases have also had the effect of increasing referrals across the country. More detail is provided in Appendix B. This has led to more assessments being opened and completed and an overall increase in the numbers of open cases across the service.
15. Over time, a sustainable staffing structure needs to be achieved in order that improved practice and performance can be embedded and changing demands are able to be responded to. This will require sufficient case holding professionals (social workers, family support workers, and personal advisers) and supervisory/management capacity to create organisational resilience whilst allowing for a normal level of staff turnover.
16. Further and ongoing additional resources are required to support service transformation and the delivery of the improvement plan to achieve:

- a. The retention and stabilisation of a permanent workforce and a continued level of ongoing recruitment.
- b. That there is sufficient capacity of suitably skilled and experienced professionals to work with children and families, whilst maintaining a manageable workload.
- c. That there is sufficient capacity for effective continuing management oversight and supervision.
- d. That Newly Qualified Social Workers (NQSWs) are supported appropriately during their Assessed and Supported Year in Employment (ASYE)
- e. That there is sufficient capacity to deliver high-quality and ongoing internal Quality Assurance activity, providing assurance of continuous improvement and impact.
- f. That there is sufficient resource to deliver necessary changes to the development of our practice standards, and associated IT and systems support.
- g. That support for our Foster Carers is further developed and maintained.

The detail and rationale for ongoing additional resources is provided in Appendix B.

- 17. This proposal has been a number of months in development. It would have been preferable to have aligned the request to the budget proposals agreed by Council in February 2022 but timescales did not allow for this. Initial work and demand modelling was undertaken by service leaders in September 2021. Significant increases in contacts and referrals were experienced during the autumn. These increased referrals created further pressures across the service but were most acutely experienced from October onwards in the assessment teams. These, coupled with a range of ongoing analysis activities (including the whole-service audit of open cases that did not conclude until late December), meant that the modelling had to be significantly revised, with detailed financial modelling only able to be commenced in January 2022.
- 18. It is important to acknowledge at this stage that the funds sought for 2022-23 and forecast for 2023-24 may not be the full investment required to deliver the necessary transformation and improvement programme. Children's Services may need to come back to the council with further propositions, pressures and bids but these will be introduced through the normal budget process.
- 19. An independent evaluation of these proposals and the focus of the ongoing investment will be undertaken during Quarter 1 of the financial year (2022-23) and the findings presented within the request to Cabinet to release tranche 2 of the investment.
- 20. Following this transformation programme the Children and Young People Directorate will re-establish a base budget for 2023/2024 and subsequent years alongside further targets for improved outcomes for children and for the performance of the service.
- 21. In order to establish the operating model and work plan for the future, it is planned to build on high level diagnostics undertaken in 2020/21 and produce a commissioning plan for all ages, sharing the approach, learning, good governance, compliance and commercial approach that is embedded within the Adults' services commissioning function.

Community impact

22. The notice requiring improvement has a direct and indirect effect on the lives of both current and future children and families in Herefordshire.
23. The County Plan 2020–2024 includes the ambition to ‘strengthen communities to ensure everyone lives well and safely together’. Specifically, the council aims to:
 - a. Ensure all children are healthy, safe, and inspired to achieve;
 - b. Ensure that children in care, and moving on from care, are well supported and make good life choices; and
 - c. Protect and improve the lives of vulnerable people. Set out any considerations relating to community impact including contribution made to corporate plan / health and wellbeing strategy or other local or national strategies or policies.

Environmental Impact

24. There are no specific environmental impacts arising from this report.
25. The transformation activity will be undertaken with consideration to minimise waste and resource in line with the Council’s Environmental Policy.

Equality duty

26. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to

- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
27. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine protected characteristics:
 - a. Age;
 - b. disability;
 - c. gender reassignment;
 - d. pregnancy and maternity;

- e. marriage and civil partnership;
- f. race;
- g. religion or belief; sex; and
- h. sexual orientation.

28. In particular, the council must have due regard to the public sector equality duty when taking any decisions on service changes.
29. As our projects and service delivery progresses, and changes are designed, equality impact assessment will be undertaken where necessary.

Resource implications

30. Since April 2021, considerable additional resources have been deployed to support the Children's Services transformation plan and improvement activity.
31. This financial request is to meet a legacy of unmet resource needs and additional resourcing to support Ofsted priority actions and the Directorate Improvement Plan.
32. **Increase in establishment**

Transformation will temporarily increase the budgeted establishment by 122.75 FTE in 2022/23 reducing to an ongoing increase in posts of 82 FTE from 2023/24

Resource	Additional FTE	
	22/23	23/24
Continuation of project teams for 12 months	24	
Auditors	6	4
Child in need teams	16	16
Service managers	9	9
Permanence team	5	5
Business support	15	15
Newly qualified social workers	15	15
Social care academy/ signs of safety	6.25	1
Advanced practitioners	12	8
Improvement lead	1	
Independent reviewing officers/child protection chairs	4	2
Managing practitioners	4.5	4
Clinical psychologist	1	1
Fostering panel adviser	1	1
Social Worker (SEND)	1	1
Data analyst	1	
Systems analyst	1	
Total increase in FTE from current budget	122.75	82

33. Cost of transformation

Transformation costs	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000
Review and transformation of services in response to high court judgement	5,833	11,487	4,544	21,864
TOTAL	5,833	11,487	4,544	21,864

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2021/22	2022/23	2023/24	Total
Previously approved funding	2,542			2,542
Department for Education funding	1,700			1,700
Financial resilience reserve	1,591	11,487		13,078
Increased base budget			4,544	4,544
TOTAL	5,833	11,487	4,544	21,864

Legal implications

34. The Council was issued with a non-statutory improvement notice by the Department for Education on 18 May 2021. To comply with this notice, the Council must adhere to a number of measures, which includes

- Secretary of State appointment of an Improvement Advisor. The Council will work with the adviser for a minimum of 12 months, and until such time that the Secretary of State is satisfied this is no longer required.
- Implementation of an Improvement Plan.
- Establishment of an Improvement Board with an independent Chair (to be set up and chaired by the Department for Education (DfE) Improvement Adviser) to oversee the implementation of the improvement plan against a timescale agreed with the DfE.
- Officials or advisers from the DfE will undertake reviews of progress against the Improvement Plan at least every 6 months and more regularly where appropriate.
- The DfE will offer dedicated improvement support through its Partners in Practice arrangements and may consider additional requests for support as part of the review process.
- The Improvement Adviser will provide, to the DfE, 6 weekly reports of progress or concern against the areas set out in this notice; and progress against the improvement plan; and any other such information relevant to the improvement journey.

35. The notice sets out that the council should aim for actions included in the Improvement Plan to be delivered by the end of April 2022 or sooner, where appropriate. If there is a failure to comply with this notice or should ministers not be satisfied with the Council's progress at any stage, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services, potentially resulting in the establishment of a Trust.

Risk management

36. The improvement notice is clear that, should the council be unwilling or unable to comply with this improvement notice, or should ministers not be satisfied with the Council's progress at any stage, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services.
37. Statutory improvement notices could be issued and more critical or enduring under-performance may necessitate the use of Statutory Directions compelling the Council to take certain actions.
38. In extreme cases the DfE can direct partial or complete outsourcing of Children Services to a third party or the establishment of a Children's Trust.
39. The following are the primary and most significant risks in delivering this decision:

Risk	Mitigation
There is a risk that in the current highly competitive recruitment market costs may be higher than currently forecast.	Systems are in place to monitor demand and to manage work loads, work flow and recruitment costs.
There is a risk that we would not be able to recruit permanently to posts as anticipated and thus are reliant for a longer period on agency staff (with potential instability and increased cost).	A recruitment campaign commences in March 2022 and will continue throughout the year. Progress and impact will be monitored by the Resources Board, the Improvement Board, and reported to Cabinet through regular updates.
There is a risk that a significantly adverse report from Ofsted following an inspection in the future might place additional demands on the transformation activity.	The service, through the activity and impact of the Improvement Plan and in collaboration with the Improvement Advisor and Sector-led Improvement Partners continues to work to demonstrate impact and evidence of improvement and to prepare our best evidence for a future inspection.
There is a risk that we do not do enough to bring about the change needed, or that the pace of change is not quick enough.	We are regularly communicating with the DfE, Ofsted and key safeguarding partners. We will invite regular external review of our progress through sector-led improvement activity and peer review.

40. These and other risks associated with the delivery of Children's Services improvement are recorded on the relevant service risk register and escalated in accordance with the council's

Performance Management Framework and Risk Management Plan. The highest risks, i.e. those scoring greater than 16 after controls, are escalated to the council's Corporate Risk Register.

Consultees

41. There has been no public consultation on this proposal.
42. The Cabinet Member and Cabinet, the Management Board, the Independent Improvement Advisor, and representatives of the Department for Education (DfE) have contributed to the development of this proposal.

Appendices

Appendix A: Previous investment - £5.2m

Appendix B: Rationale for addition resources required.

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 23/03/2022
Finance	Louise Devlin	Date 22/03/2022
Legal	Kate Charlton	Date 02/03/2022
Communications	Luenne Featherstone	Date 01/03/2022
Equality Duty	Carol Trachonitis	Date 01/03/2022
Procurement	Lee Robertson	Date 02/03/2022
Risk	Chris Jones	Date 01/03/2022
Human Resources	Tracey Sampson	Date 02/03/2022
Approved by	Darryl Freeman	Date 23/03/2022